Daily Report

East Europe

FBIS-EEU-88-129
Wednesday
6 July 1988

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FBIS-EEU-88-129 *6 July 1988*

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Further Reportage on 44th CEMA Session

Delegations Arrive

LD0407220488 Prague CTK in English
1914 GMT 4 Jul 88

[Text] Prague July 4 (CTK)—Delegations of member states to the 44th session of the Council for Mutual Economic Assistance (CMEA) have been arriving here today.

The heads of the delegations are Bulgarian Premier Georgi Atanasov, Cuban State Council Deputy Chairman and Deputy Premier Carlos Rafael Rodriguez, Hungarian Deputy Premier and permanent representative in the CMEA Jozsef Marjai, GDR Premier Willi Stoph, Polish Premier Zbigniew Messner, Romanian Premier Constantin Dascalescu, Soviet Premier Nikolay Ryzhkov and Vietnamese Deputy Premier Vo Van Kiet.

Premier Dumaagiyn Sodnom, who heads the Mongolian delegation, has been in Prague since Saturday.

Another arrival was a delegation of Yugoslavia, led by Deputy Premier Janez Zemljaric.

They were welcomed at the airport by Czechoslovak Communist Party Presidium members—Federal Premier Lubomir Strougal and Party Central Committee Secretary Jozef Lenart, and also First Federal Deputy Premier Rudolf Rohlicek, Federal Deputy Premiers Matej Lucan and Jaromir Obzina, and other officials. Also present was CMEA Secretary Vyacheslav Sychev.

Other delegations to arrive came from Afghanistan, Angola, Ethiopia, Democratic Yemen, Laos, Mozambique and Nicaragua who will attend the 44th CMEA session as observers.

Session Opens 5 July

LD0507083688 Prague Domestic Service in Slovak
0800 GMT 5 Jul 88

[Text] The 44th CEMA session, which is being attended by delegations from all CEMA member states, as well as a delegation from Yugoslavia and from another seven countries in the role of observers, began in the Palace of Culture in Prague today. The participants will examine tasks connected with the acceleration of the social and economic development of the CEMA member states and will adopt measures to improve their mutual cooperation.

Strougal Opening Address

LD0507102688 Prague CTK in English
0915 GMT 5 Jul 88

["Excerpts From Czechoslovak Premier's Address at CMEA Session"—CTK headline]

[Text] Prague July 5 (CTK)—"We are still under the strong impressions from the course of the 19th All-Union Conference of the Soviet Communist Party which was and remains in the centre of unprecedented attention of the world public and quite naturally also of Czechoslovak Communists and all people of Czechoslovakia", Czechoslovak Premier Lubomir Strougal said here today.

Opening the 44th session of the Council for Mutual Economic Assistance in Prague, the Czechoslovak premier said that "the innovative approach of Soviet Communists to all crucial questions of the present and the future with respect for the basic principles of building socialist society is a big support for us and encouragement".

"This absolutely new view on tasks and problems, courage, resolve and consistence in their solution will undoubtedly influence also the overall activity of CMEA, naturally under one condition—that we shall manage to apply them not only in talks and in deciding concrete problems facing us but that they will permeate through all our thinking and actions", Lubomir Strougal said.

"The 44th CMEA session is taking place at a time of changing political climate in the world, growing confidence among states and adoption of first disarmament agreements. The peace initiatives of the Soviet Union and the Warsaw Treaty countries but also of CMEA and for instance the movement of the nonaligned countries change the 'Cold War winds' into 'winds of hope'. The world appreciates the personal merits of Soviet Communist Party General Secretary Mikhail Gorbachev who not only resumed the top level dialogue with the United States but also consistently strives for its permanent development towards coexistence and cooperation.

"As it appears, after the recent Moscow meeting we may live to see further disarmament agreements, a ban on chemical weapons and a reduction of conventional weapons to a level sufficient for defence. It is a process full of obstacles, a long and difficult process and we must advance in it actively and flexibly and seek acceptable compromises", the premier went on to say.

"In the centre of our common attention in the years 1986-1988 were and are tasks that follow from the strategic intentions of the congresses of the communist and workers' parties of our countries and from the plans of social and economic development for the current

five-year period. We put special emphasis on the intensification of economic development and on raising efficiency and quality, on achieving the necessary equilibrium in the national economy," Lubomir Strougal said.

He stressed the great importance of restructuring and the improvement of economic mechanisms in a number of states, seen most clearly in Soviet economy, and said that a new situation arises within the Council for Mutual Economic Assistance as the number of the immediate participants in cooperation grows due to enterprises and associations taking up self-financing and full cost-accounting with the right to conduct foreign trade operations.

"In spite of some positive changes, we must see, however, that we are only at the beginning of reconstruction, from the viewpoint of both individual countries and integration as a whole. Stagnation in mutual trade, low rate of development of production cooperation, slow advance in science and technology urge us to proceed more quickly and boldly. At the same time we must see our ultimate goal—an integrated economic complex including a united socialist market", the premier said.

"We all want the 44th CMEA session to contribute towards asserting new features in the activities of our organization and towards a gradual application of the factors of the new mechanism of cooperation and socialist economic integration," Lubomir Strougal said, adding that the joint measures adopted at the new session, and all that is being done to improve socialist society will mean an important step towards strengthening socialism and its influence in the world.

Dascalescu Address

AU0607071788 Bucharest AGERPRES in English 0649 GMT 5 Jul 88

["Address of Romanian Prime Minister at CMEA Session"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 06/07/1988—Addressing the 44th meeting of CMEA session held in Prague, the Romanian chief delegate, Constantin Dascalescu, member of the Executive Political Committee of the CC of the RCP, Romanian prime minister, set forth the conception of the Romanian Communist Party, of its general secretary, Nicolae Ceausescu, on the role of the international economic collaboration in the implementation of Romania's development programmes, for the fine unfolding of the socio-economic activity, for a policy of collaboration, friendship and peace with all nations of the world.

The successes scored by the Romanian people in the first two years and a half of the current five-year interval were presented as well as the RCP's concerns over the further rise in the economic efficiency of the entire activity, for the complete capitalization of the advantages resulting from the application of the principles of worker self-management and self-administration, from the harmonious blending of the management on the basis of the national plan with the increase of responsibility and attributions of collective managerial bodies in the elaboration and fulfilment of plans.

Next, the Romanian premier referred in his address to a number of major problems to be considered in the improvement of the manysided collaboration among CMEA member countries, such as: content of CMEA organs' activity, improved mechanism of mutual collaboration, organizational framework of activity of CMEA bodies.

Expressing Romania's position on the questions approached, the Romanian chief delegate also presented President Nicolae Ceausescu's conception and considerations on major international issues.

Rohlicek Delivers Report

LD0507122088 Prague Domestic Service in Slovak 1100 GMT 5 Jul 88

[Text] Rudolf Rohlicek, chairman of the CEMA Executive Committee and Czechoslovakia's permanent representative to CEMA, today delivered the Executive Committee's report on CEMA's activity during the period between the 43d and 44th CEMA sessions at today's meeting of the organization in Prague.

The report recalls that CEMA's 43d session, which approved measures for the restructuring of cooperation and socialist economic integration and CEMA's activity, became an important milestone in the organization's activity during the past period. For this reason the Executive Committee's report centered primarily on the procedure for improving the structure and activity of CEMA bodies, the results achieved, and the problems that accompanied the preparation of proposals submitted to the 44th session. It points out that the implementation of the comprehensive program for scientific and technological progress of the CEMA member states up to the year 2000 has not yet made the anticipated contribution to raising the technical and technological level of our community.

The report says that serious difficulties which have for a long time accompanied cooperation in the field of multilateral specialization of production and production sharing have not yet been successfully overcome. In this connection the report stresses that it is necessary to push through an energetic approach toward creating possibilities for expanding multilateral activity and for ensuring a timely and proper implementation of all agreed cooperation projects. This requirement arises from the fact that mutual trade among the CEMA members, rose last year only by 1.5 percent compared with 1986.

The report also reveals the need for the member states to expand relations between states with different social systems, and in this connection the importance of the joint declaration on the establishment of official relations between the CEMA and the EEC was highlighted.

Messner Address

LD0507153988 Warsaw PAP in English 1422 GMT 5 Jul 88

["Messner's Address at 44th CMEA Session (Abridged)"—PAP headline]

[Text] Prague, July 5—In keeping with November 1986 decisions of our state leaders, seven months ago we adopted resolutions which contributed to enhancement of socialist integration as well as to tightening of economic, scientific and technological cooperation.

Council for Mutual Economic Assistance (CMEA) bodies achieved progress on this path. Fusion of certain committees will close the present preliminary stage of restructuring the CMEA. We note with satisfaction that the proposals include our motion to found a standing committee for natural environment protection.

In turn, the CMEA Committee on Cooperation in Planning worked out a multilateral concept of international socialist labour division up to the year 2005 as well as a programme of coordination of national economic plans.

We believe, however, that advancement of works on economic mechanisms of integration is insufficient. We expressed this conviction as early as at the session's previous meeting. The conviction stems from the directions of economic reforms which we have been introducing in Poland since the beginning of the eighties.

Its essence consists in establishment of an economy that would be open to cooperation with foreign partners, that would make use of monetary and market mechanisms, and that would be based upon autonomy of enterprises.

It is with satisfaction that we observe far-reaching convergence of our line of actions with transformations in other socialist states. It was confirmed by, among other things, the course of the 19th All-Union Conference of Soviet Communists.

Nevertheless, for the reforms to yield fullest effects it is indispensable to radically reconstruct the mechanisms of our cooperation. But opinions remain diversified on this particular issue.

Inefficiency of present financial mechanisms of cooperation, discrepancies in legal and systemic solutions, as well as awareness barriers—old habits, fear of risk, inertia and routine—which hamper development of cooperation, must be replaced with new solutions, with modern thinking and with bold actions.

Autonomy of the enterprise in selecting areas of cooperation on the basis of economic calculation should be the fundamental principle here. Evaluation of economic viability of particular undertakings is impossible, however, without realistic currency prices and rates or without efficient mechanism of settlements.

It is absolutely necessary, thus, to urgently start joint, intensive work which would make it possible to create an integrated socialist market with a free flow of goods, services and production means, a flow that would ensure highest effectiveness of their utilization in the interest of each of the partners and the entire community.

We unequivocally and firmly declare ourselves in favour of establishment of such a market by the year 2000 at the very latest. It should be the main objective of our joint actions.

It is all the more essential as the world progresses at a rapid pace. A clear example of this is economic integration of Western Europe. One must not fail to discern it. On the contrary, conclusions should be drawn for use in our operations.

The system of interrelations must not be confined to the level of governments or ministries. Conversely, systemic relations should place emphasis upon direct cooperation between enterprises and between scientific and research units as well as upon foundation of joint ventures by states interested.

In bilateral cooperation we are already applying these forms. Over 200 production enterprises, 190 trade enterprises and 100 research and developmental organizations in Poland have entered direct cooperation with Soviet partners. Also, first three joint ventures have been established.

We have already agreed with our Soviet comrades on a number of solutions encouraging activization of these forms. They will include, for example, application of national currencies in settlements.

We attach great weight to establishment of a Polish-Soviet financial body for support of development of new forms of cooperation.

As for Czechoslovak comrades, we are negotiating a draft of a intergovernmental agreement on principles of settlement and accounting in national currencies.

Also continued are Polish-Hungarian and Polish-Bulgarian talks to similar effect.

We observe attentively solutions employed in bilateral cooperation by other states of our community.

From CMEA bodies we expect acceleration of works on rendering such solutions multilateral. It constitutes one of the chief conditions of modern economic and production interrelations within the framework of socialist integration.

Our debates continue with a period of deepening of positive, favourable to world peace, transformations in East-West relations.

The basic incentive and causative force behind these phenomena on the international arena are peace initiatives, both individual and collective, put forward by states of the socialist community, and particularly by the Soviet Union and personally by Mikhail Gorbachev, whom we shall soon have the honour of hosting officially in Poland.

Leaders of the Polish United Workers' Party (PUWP), the authorities of the Polish People's Republic, and the entire Polish nation received the results of the Moscow summit with satisfaction and hope. We believe that the dialogue between leaders of the Soviet Union and the United States is of fundamental importance to consolidation of lasting, universal and equal security of all people, with the inclusion of the Polish people.

The announcement of 50-per-cent reduction of nuclear arsenals of the two superpowers and the new package of Soviet peace initiatives allow to nourish hopes that the process will be continued in the interest and for the benefit of entire mankind.

Poland has also made a significant contribution to this process. Our initiatives include the plan to decrease armaments and increase confidence in central Europe.

The Jaruzelski Plan met with determined support from socialist states, for which we are sincerely grateful. It also aroused great interest in whole Europe and outside it.

We hope that along with the improvement of political air in East-West relations favourable processes will occur in the field of economic contacts as well.

It is of special importance to us. To-date results of normalization of our economic relations with Western Europe and the United States remain still insufficient. Credit and financial discrimination towards our state actually continues.

Improvement of the climate in international relations contributed to crowning with success the 15 years of negotiations on establishment of official relations between our organization and the European Economic Community (EEC).

We expect that the declaration that has been signed will open way for cooperation in many domains, in development of technology, environment protection, transportation or power engineering.

We are vitally interested in consolidation of cooperation on equal footing and in constant expansion of mutually beneficial collaboration with economically developing countries.

Stoph Address

LD0507174788 East Berlin ADN International Service in German 1302 GMT 5 Jul 88

[Text] Prague, 5 Jul (ADN)—The 44th CEMA meeting opened today in Prague. Taking part in the 3-day discussions are delegations from all 10 CEMA countries and from the SFRY, as well as observers from seven other countries. The GDR delegation is headed by Willi Stoph, member of the SED Central Committee Politburo and chairman of the Council of Ministers. Other members include Guenter Mittag, member of the Politburo and secretary of the SED Central Committee; Guenther Kleiber, member of the SED Central Committee Politburo, deputy chairman of the Council of Ministers and permanent representative of the GDR to CEMA; Gerhard Schuerer, candidate member of the SED Central Committee Politburo, deputy chairman of the Council of Ministers and chairman of the State Planning Commission; Herbert Weiz, deputy chairman of the Council of Ministers and minister for science and technology; Guenter Ehrensperger, director of the Finance and Planning Department of the SED Central Committee; Herbert Krolikowski, state secretary and first deputy minister for foreign affairs; and Felix Meier, minister for electrical engineering and electronics.

Lubomir Strougal, CSSR premier and member of the CPCZ Central Committee Presidium conveyed greetings from Milos Jakes, general secretary of the CPCZ Central Committee, and from Gustav Husak, president of the CSSR. He paid tribute to the peace initiatives of the USSR and other CEMA countries, and referred to the significance of the joint resolutions of the meeting for the consolidation of socialism and its influence in the world.

Willi Stoph said that GDR workers will also make their contribution to the strengthening of socialism and to the safeguarding of the peace through the further shaping of the developed socialist society.

The speaker dealt with tasks concerning cooperation within CEMA, and stressed the readiness of the GDR to take part in the appropriate investigations of prerequisites and conditions for forming the common market of CEMA countries. The realization of the integrated program makes it necessary to raise the speed of development. Willi Stoph expressed agreement with the proposed resolution of the meeting on the next steps on cooperation. Later, other heads of delegations took the floor.

Messner Meets Ryzhkov

LD0507172588 Warsaw PAP in English
1630 GMT 5 Jul 88

[Text] Prague, July 5—PUWP CC Political Bureau member, Premier Zbigniew Messner met chairman of the USSR delegation, CPSU CC Political Bureau member, Chairman of the Council of Ministers of the USSR Nikolay Ryzhkov during the break in the proceedings of the 44th session of CMEA here. The two discussed current questions of further development of cooperation btween Poland and the USSR against the background of the approaching Polish visit of Mikhail Gorbachev.

The meeting was attended by Political Bureau member, PUWP CC Secretary Wladyslaw Baka, Vice-Premier and Chairman of the Government Planning Commission Zdzislaw Sadowski and Minister of Foreign Economic Relations Wladyslaw Gwiazda—from the Polish side, and from the USSR side by CPSU CC Political Bureau alternate member, first vice-premier, Chairman of the State Planning Committee Yuriy Maslyukov and Vice-Premier Aleksey Antonov.

SRV Delegation Head Address

LD0507172888 Prague CTK in English
1632 GMT 5 Jul 88

[Text] Prague July 5 (CTK)—Deputy Premier Vo Van Kiet, who heads the Vietnamese delegation to the 44th CMEA session, welcomed the programs to bridge the gap between the economic development of his country, Cuba and Mongolia and the CMEA European members, when he spoke at the session today.

He said that the adoption and implementation of the special comprehensive programs of multilateral cooperation between the European member states of the CMEA with Vietnam, Cuba and Mongolia "is a noble and distinct example of the international socialist division of labour, strongly inspiring the developing countries in the choice of the roads of their own development and in the struggle for a new international economic order."

Vietnam has predominantly small-scale production and its economy, which was hit by 30 years of war, is little developed at the beginning of the road to socialism which is new and difficult. "We know very well that in addition to maximum mobilization of the country's entire potential, we must strengthen in all respects our participation in the international socialist division of labour and all-round effective cooperation with the fraternal countries, and also to expand mutually advantageous cooperation with neighbouring countries in our region and other countries of the world," Vo Van Kiet said.

Marjai Address

LD0507211888 Budapest MTI in English
1634 GMT 5 Jul 88

[MTI at 2059 GMT transmits a service message deleting paragraphs eight and nine]

[Text] Prague, July 5 (MTI)—Jozsef Marjai, deputy prime minister, minister of trade and head of the Hungarian delegation, delivered an address at the 44th session of the CMEA held in Prague. He stated that the reform processes in progress in the Soviet Union and other socialist countries and the strengthening of openness and democratization make a favourable impact on the latest world policy developments.

He referred to the dialogue between the Warsaw Treaty organization and NATO, the CMEA and the European Economic Community, between certain socialist countries and the North Atlantic Assembly or the Commission of the European Communities, and added that at the same time we have to see that while the community of the socialist countries gave a constructive response to the military policy challenge, it failed to find a proper response to the economic, scientific and technical challenge of the capitalist world.

The 19th National Conference of the CPSU concluded recently took a revolutionary step towards renewing socialist society and economy to establish a qualitatively new socialism. The resolutions of the party conference triggered and intensified a process that is to make an impact on the further development of the CMEA. These changes also facilitate the development of the Hungarian reform process. We regard the intellectual courage and determination, the manner the Soviet party explored the questions to be solved, and the formation of the resolutions aimed at development as exemplary. We agree with this updated work style, the contents of resolutions and consider it necessary that the work within the CMEA be permeated with this spirit as soon as possible.

The Hungarian People's Republic attaches vital interest to cooperation with the socialist community, the strengthening of the economic, scientific and technical output of the CMEA member states, the establishment of an export pattern that is in accordance with the endowments of the individual states as well as the whole community, and to strengthening the positions of our economic community in the worldwide division of labour. As the present mechanism of our cooperation does not live up to the requirements, profound transformation is a historical necessity, a task that brooks no delay.

It is our conviction that no development can be reached in genuine cooperation without the gradual and consistent development of commodity and money relations

between the CMEA member states. We propose that, guided by the Executive Committee, a separate CMEA body study the profound transformation of the mechanism of integration.

Jozsef Marjai pointed out that the member states have to be made interested in export surplus 'which, in our opinion, can only be reached by making the tranferable rouble first partly, then fully convertible. Our proposals on this issue were forwarded at the 43th session. We have to state with regret that these proposals did not meet the support of our partners, although partial convertibility could be introduced in a short time and it would make an impact on the real currency processes as well as the establishment of the system of domestic production prices that is in line with world market prices. On this basis we consider the handling of currency-financial issues unsatisfactory.'

We regard the target of establishing the united market of the CMEA member states as of great significance.

The establishment of free-trade zones, the introduction of contingent-free trade, the linking of domestic prices to the world market prices and currency-convertibility is required.

With regard to the establishment of customs union between the CMEA member states we hold the view that in addition to these plans we have to further develop the national customs. As far as the currency-union of the CMEA member states is concerned, I think its importance goes without saying.

The transformation of the mechanism of the socialist economic cooperation and the increase of the role of commodity and money relations requires gradual but definite steps. We think that unless a radical change takes place in these fields, the CMEA will not be a support but a serious hindrance in the transformation processes in progress in certain socialist countries. Starting from this recognition we cannot hold the document on changing the mechanism of cooperation closed.

The economic development of the CMEA community is unimaginable without integration into the world-wide division of labour. We have to pay particular attention to the qualitiatively new phase of the economic and political integration of the European Economic Community starting in 1992, in which we have to find new forms of cooperation between the European integrations. We think that the CMEA-EEC joint communique is partly a result of the positive developments in international life, and it also exerts a favourable influence on European cooperation. Concrete contacts will not be easy to establish, and further efforts are required to extend cooperation to fields better suiting the interests of the CMEA member states.

In the talks with the European Communities we made no concession of principle, but showed flexibility with regard to the practice and mechanism of the elimination of discriminative, qualitative restrictions. We announced that in line with the cooperation agreement that we will establish diplomatic relations with the European Communities.

Hungary would like to consider elaboration of economic conditions in CMEA cooperation where, in accordance with our common interests, it is ensured that agricultural exporters of favourable natural endowments continue to contribute to meeting the food stuff demand of agricultural importers, emphasized the head of the Hungarian delegation.

Strougal Lists Priorities

LD0507175888 Prague CTK in English 1716 GMT 5 Jul 88

[Text] Prague July 5 (CTK)—Czechoslovakia regards restructuring of the international socialist division of labour and the mechanism of cooperation as the main task at present, Premier Lubomir Strougal told the CMEA session as head of the Czechoslovak delegation today.

Priorities in the council's work are the deepening of long-term planning and the development of analytical and prognostication work to provide rationale for the selection of chief issues which the CMEA member states are to solve jointly, he said.

He listed issues which should be crucial in the CMEA strategy:

Firstly, it should be an effort to increase the technological and economic level of the community;

Secondly, it should be the issues of effective international division of labour and the perspective structural policy of the member states. This involves the slow transition of the member states' economies to intensive development and questions in which no major successes were achieved by coordinating their national economic plans and by international specialization and cooperation in production merely for five-year periods. Czechoslovakia sees a solution in consistent updating of the collective concept of international socialist division of labour the draft of which has already been submitted.

The third complex are problems of the all-round human factor, the main exponent in the acceleration of socialist construction. Lubomir Strougal specified this as involving cooperation in professional training, including requalification of workers and their movement between CMEA member states, cooperation in health service, town construction and ecology.

Fourthly, there are issues concerning care of the development of an efficient mechanism of cooperation and socialist integration. Aims were jointly formulated for these issues at the 43rd CMEA session and should now be specified in tasks for the individual stages of restructuring. The Czechoslovak party and state leadership considers the creation of a new scope for cooperation between scientific, research and economic organizations of the member states as an inseparable part of this change in the CMEA activities.

The Czechoslovak premier expressed concern at the situation in the member states' trade "which is virtually stagnating. We consider it a mistake that the report on the council's activity in the latest period does not even attempt to make a more thorough analysis of this situation causing alarm. The solutions being proposed are too general and in our opinion do not concern substantial causes", the premier said and listed primarily the need to change goods structures and the technical standard and quality of production in mutual foreign trade. "We expect the committees for external economic relations and planning to take greater initiative so that the present state of affairs is overcome on the basis of an agreed program of action", the premier emphasized.

He called it necessary that the committee for external economic relations also deals in greater detail with the situation and problems existing in cooperation with the developing countries.

He stressed that Czechoslovakia is prepared to strive within its possibilities for an increase of the developing countries' share in its overall foreign trade volume. "We consider the present situation unsatisfactory and are prepared to assess, together with the other member states, the diversification of relations with the developing countries and jointly prepare the intentions for the next five-year period."

As regards industrial capitalist states, the establishment of official relations between CMEA and the EEC and between member states of these organizations has given rise to a new situation. The committee for external economic relations should therefore debate and propose joint steps to extend various forms of scientific-technological and economic cooperation, licence trade and joint ventures on third markets with firms from EEC member states. He reiterated Czechoslovakia's position of support for cooperation based on mutual advantages and rejecting discrimination.

Atanasov Address

AU0507200588 Sofia BTA in English 1740 GMT 5 Jul 88

["G. Atanasov Speech at CEMA Session"—BTA headline]

[Text] Prague, July 5 (BTA corr.)—In his speech Mr Georgi Atanasov, chairman of the Council of Ministers of Bulgaria, stressed that the importance of the 44th session of the Council for Mutual Economic Asistance is determined by the present-day processes and realities in the international political and economic life.

Noting the great interest of the CEMA member-states, as well as of the entire world, in the 19th CPSU Conference which has ended a few days ago, Mr Georgi Atanasov pointed out that its resolutions will have a durable influence on the development of world socialism, will accelearate the positive changes in the system of socialist integration.

During the recent years as a result of the active and consistent actions of the Soviet Union and the other socialist countries the objective attitude to the realities of the modern world clears its path ever more successfully. This was demonstrated at the latest Soviet-American summit, the new political thinking broadens its social and political base, said the Bulgarian premier.

Mr Georgi Atanasov assessed as a serious practical success of the new political thinking the establishing of official relations between the Council for Mutual Economic Assistance and the European Economic Community. It is a favourable precondition for the conclusion of bilateral agreements with the largest economic group in the present-day capitalist world, for broadening of the mutual trade-economic relations, for realization of joint projects of mutual interest, on multilateral basis as well. The development of the relations between the CMEA and the EEC will create material conditions for the transition to a new stage of the detente in Europe, will cooperate to the improvement of the economic and political climate in the world.

Taking into consideration the new processes and realities, emerging and developing in the socialist community and on a world wide scale, we are convinced that all the necessary objective preconditions exist for the construction of a qualitatively new model of socialist economic integration. It must provide the possibility for deeper coordination of the economic policy and for active interaction between the economic organizations of the CMEA member-states, it should guarantee the strengthening of the positions of the socialist community in world economy and the international division of labour, said further on Mr Georgi Atanasov.

The practical fulfilment of the tasks ensuing from the joint decisions is realized at unsatisfactory rates on the whole. The reasons for the slow movement forward in the decisive spheres of socialist economic integration, continued he, in spite of the existing objective difficulties, are rooted mainly in the exhausted administrative

approach to the problems of the economic and techno-scientific relations between our countries, in the inadequate, to the requirements of today and tomorrow, mechanism for regulation of the economic processes in the socialist countries. [sentence as received]

To an ever greater extent we must combine our interest on economic base through an ever more complete use of the commoditiy-money relations and their categories, stressed the leader of the Bulgarian delegation.

The essential structural and organizational changes, envisaged in the resolutions of the 43rd (extraordianry) session of the CMEA have already been completed in substance. Favourable conditions for the bodies of the council have been established, the Secretariat included, to concentrate their attention on questions which have a real strategic importance, noted the speaker.

In the new conditions the processes should be studied more thoroughly, the objective tendencies should be revealed and on that basis should be prepared the materials viewed by the CEMA supreme bodies, continued Mr Georgi Atanasov.

He proposed that distinguished scientists and and practicians from the CEMA member-states, as well as prestigious scientific institutes, should be invited on a contract base to take part in the development of some strategic documents.

Nowadays in the CMEA member states the question of the need of enhancement of the social orientation of the economic policy acquires an ever greater significance, emphasised Mr Georgi Atanasov. One of the decisive preconditions for the realization of the tasks in this sphere is the ever closer integration of the national economic complexes of the socialist community countries, the rational and coordinated utilization of the economic and technological potential in the sectors related to the satisfaction of the social needs.

It is not only that the socialist economic integration must have considerably greater contribution to the raising of the standard of living of our peoples and to create preconditions to glut the markets of the CMEA member-states with high quality, modern commodities. We must note, said Mr Georgi Atanasov, that the orientation of the cooperation almost entirely to the sphere of the production of means of production engenders moments of inertia which hamper the transition to a new model of economic development focusing on man's and society's needs.

He recommended that the respective CMEA bodies, under the leadership of the Executive Committee, should analyse the entire complex of problems related to the enhancement of the social orientation of the cooperation and should prepare practical proposals for a review by the session.

In conclusion Mr Georgi Atanasov dwelled on the revolutionary restructuring of all spheres of life in Bulgaria. Our chief goal, said he, is to reach a qualitatively new state of socialism, to develop further the processes of democratization and to turn our society into a self-governing one.

In the future we will continue to attach primary importance to the all-around relations of friendship, cooperation and getting closer with the socialist community countries, will cooperate for the enhancement of the businesslike character of our relations, to the dynamization of the mutual cooperation and for consolidation of a new model of socialist economic integration, said the leader of the Bulgarian delegation.

Session Continues 6 July

LD0607093388 Prague CTK in English 0844 GMT 6 Jul 88

[Text] Prague July 6 (CTK)—The 44th session of the Council for Mutual Economic Assistance continues here today by a debate on methods of speeding up socio-economic development of the CMEA member states and measures to improve their mutual cooperation.

The session is attended by delegations from all ten CMEA member states, a delegation from Yugoslavia and delegations from another seven countries as observers.

Electricity Shortage in East Europe

AU2906135488 Vienna DIE PRESSE in German 29 Jun 88 p 9

[Text] Vienna—The East European economies are becoming increasingly dependent on electricity from the USSR, as a result of delays in completing nuclear power plants, malfunctioning thermo and hydroelectric plants, and a number of serious accidents. That is stated in a report by Hubert Gabrisch of the Vienna Institute of International Economic Comparisons (WIIW). Whereas the West made efforts as early as in the seventies to reduce its dependence on natural gas, coal, and gas in favor of electricity, CEMA only began to change in this respect a few years ago. However, demand is growing more rapidly than production. Bulgaria and Romania have the biggest power supply problems. Romania takes quantities from the intra-CEMA power network that by far exceed the contractually agreed quotas. That leads to bottlenecks in Bulgaria and Hungary. If Soviet electricity exports to the West were to increase substantially, Moscow would have to take rigorous electricity economy measures.

Romania Proposals at Vienna All-European Meeting
AU0407132688 Bucharest AGERPRES in English 0919 GMT 4 Jul 88

["A Constructive Stand at the All-European Meeting in Vienna—AGERPRES headline]

[Text] Bucharest, AGERPRES 4/7/1988—Taking account of the grave issues in Europe and the world over as regards the fundamental human rights, of the worry shown by large categories of population for their material and social condition, as a result of unemployment, housing shortage, illiteracy and various economic, political and social inequalities, Romania has proposed that the final document of the Vienna meeting should stipulate measures and commitments by the participant states, meant to help settling these grave issues in the observance of human rights. Romania proposed that the countries participant in the meeting should commit themselves to provide the necessary conditions for education, for the youth's training, so that they may deploy useful activity in society and turn to good advantage their creative capability, and the youth should be ensured jobs and assignment to economic and social activity in keeping with their training.

Romania also proposes that the final document include the provision that the participant states will ensure for every citizen a job in keeping with his training, so that he may earn the necessary material means for a decent living, in keeping with the requirements of the present-day social progress, and may take best advantage of his physical and intellectual skills, as well as the provision that the participating states should pledge not to encourage emigration and to give up the alluring of specialized cadres from other countries, to collaborate for the training of cadres in various domains needed by the less developed states.

Romania also proposed the working out and implementation in every country of a program ensuring for every family the least of housing conditions by 2000.

The final document of the Vienna meeting ought also to comprise the participant states' commitment to ensure jobs for women according to their training and capability, as well as equal pay with men for similar activities, and other rights that should allow women's full and actual participation in social and political life.

Presenting these proposals, Romania thinks that the securing of the fundamental human rights, the turning to advantage of people's creative capabilities make an essential requirement of economic, social and political progress in the present-day world, a duty of every state. The accomplishment of this requirement demands close collaboration among all states participant in the Vienna meeting, in the economic, technological, scientific, cultural and other fields, as well as the broad promotion with the public opinion and especially with the young people of the ideals of peace, progress and collaboration, of understanding and mutual regard among peoples. This also calls for the participant states to strictly observe the principles of non-interference in other countries' domestic affairs, of national independence and sovereignty, of every state's right to settle its issues by itself, in keeping with its internal conditions, with the country's constitution and law, with its traditions and national specific.

Romania considers that the provisions of the Final Act of Helsinki and of the Madrid document make a framework fit for the building of security and further development of cooperation in Europe and that there is no need for each new European meeting to endorse bulky documents that should repeat in their larger part, provisions already included in the previous document.

Airbus Downing a 'Crime of American Imperialism'

AU0407195488 Tirana Domestic Service in Albanian 1800 GMT 4 Jul 88

[Text] We turned to our commentator Napoleon Roshi to express to us his view on this serious criminal act of the United States of America.

[Begin Roshi recording] Our people express their deep rage at this [word indistinct] crime of American imperialism, that Ronald Reagan is seeking to present as a measure of self-defense. But what kind of self-defense can it be to unjustifiably station dozens of U.S. warships in the Persian Gulf, thousands and thousands of kilometers from American shores? Not only this, but Reagan has granted permission to the commanders of ships to open fire on any object whatever, on land, on the sea, or in the air, provided merely that the ships' captains think their safety is threatened. In fact, what we are dealing with is an extreme case of arrogance.

We are dealing with the psychology of someone who imagines himself to be lord of the globe, and who considers the world as America's private estate. If American imperialism and its officials merely suspect that their interests are even slightly affected, they convince themselves that they have the right to punish anybody, to carry out aggression, and even to bring down an aircraft with 300 passengers in order to assert the vital interests of the United States.

The destruction of the passenger aircraft [words indistinct] a danger which is growing today, with the monstrous arms race of the two superpowers and their military alliances, with the presence of American and Soviet bases and fleets on the territories and coastlines of others. The captains of the American ships pretend that they thought they were dealing with an F-14 fighter aircraft. But if all that sophisticated equipment with which American cruisers are supplied is unable to distinguish a large, slow passenger aircraft from a supersonic fighter plane, what can be said about the alleged security imparted by this sophisticated equipment, of which imperialist propaganda boasts?

One thing is sure. The military presence of the United States in the Persian Gulf is intolerable, and is pregnant with great dangers. It has not only failed to bring, but can never bring any pacification of the situation in the Persian Gulf. The war between Iraq and Iran is entering its 8th year, to the detriment of the interests of the two countries. With their trade in murderous armaments and their intervention, the two superpowers and other imperialists with their presence merely exacerbate the situation further. People angrily condemn the criminal destruction of the Iranian passenger aircraft by the American fleet, and are demanding that the aggressor's hand be halted, and that not only the military fleets of the United States, but of the other imperialist powers, leave the Persian Gulf.

Soviet Party Conference Reform Agenda Scorned

AU0407161088 Tirana ZERI I POPULLIT in Albanian 29 Jun 88 p 4

[ATA report: "In Few Words"]

[Text] Moscow—As the Soviet news agency TASS reports, the proceedings of the 19th pan-Soviet party conference began in Moscow today. The agency concerned pointed out that the conference agenda includes "results up till now and the tasks involved in strengthening the perestroyka process," by which the Kremlin leadership is attempting to rescue the revisionist Soviet order from utter bankruptcy. Gorbachev's report expressed concern at the sluggishness, apathy, and opposition the implementation of reform is encountering, and so forth. Gorbachev devoted a particular place in his report to the so-called "democratization of international relations," thus attempting to camouflage the Soviet Union's social-imperialist policies. He also expressed satisfaction at the deepening of Soviet-American dialogue and stressed that "the whole international situation is changing," supposedly with the help of this dialogue.

Economic Stagnation Noted

AU0407171088 Tirana ZERI I POPULLIT in Albanian 30 Jun 88 p 4

[Unattributed report: "The 19th Conference Marked by Contradictions"]

[Text] Tirana, 29 Jun—The 19th pan-Soviet party conference continues its proceedings in an atmosphere of contradictions. The theses and proposals put forward in the report delivered yesterday by General Secretary Mikhail Gorbachev, as TASS and other news agencies report, have given rise to polemics. This was frankly admitted in Moscow yesterday at a press conference held by A. Yakovlev, member of the Politburo and secretary of the party Central Committee. As TASS reported, he made it clear after the first day of the conference's proceedings that perestroyka has become a subject for argument and that different views exist on particular aspects of it." [quotation marks as published] Yakovlev attempted to justify this state of affairs by "a pluralism of views in which everybody can express his own opinion."

TASS reports that the Academician L. Abalkin, director of the Soviet Economic Institute, talking in his speech delivered to the party conference about the results of the economic reforms undertaken within the context of perestroyka, said: "The economy has not achieved a turning point. National incomes increased slowly in the first 2 years of the present 5-year period." He admitted that "We have not been in a position to improve the quality of production, nor to provide the national economy with new technical equipment, nor to improve effectiveness in order to enable the economy to adapt itself to its customers. According to him, the way leading

to improved quality and a reform of the structure "is to abandon increasing national incomes." Abalkin in his speech opposed the proposals put forward by Gorbachev to initiate reforms in state institutions. In his report delivered on the first day of the conference, Gorbachev proposed the creation of the post of president of the Supreme Soviet of the USSR. According to this proposal, the president of the Supreme Soviet of the USSR will be able to exercise total control over the drafting of laws and the most important social and economic programs, to decide key issues of national foreign policy, defense, and security, to direct the Defense Council, to appoint the chairman of the Council of Ministers, and so forth. Gorbachev also proposed that the Office of First Secretary to the Party Committee and the post of chairman of the Soviet of People's Deputies should be carried out by a single person.

Many "ardent" supporters of perestroyka took the floor on the conference's second day, and criticized the speakers who had expressed their opposition to some of the report's proposals. Nevertheless, as TASS reports today, the debates went on, and one delegate, a radio engineer from Leningrad, spoke out against the campaign to review party membership that Gorbachev put forward in his report. He said that "I am against this because I think it is not the proper time."

News agencies report from Moscow that the reforms of the state institutions put forward by Gorbachev are not once mentioned in the theses for the conference which were published shortly beforehand. They also point out that Gorbachev's report was not approved by a Central Committee plenum, in contravention of the procedure followed when a general secretary must deliver a report to a party congress.

Budapest Demonstration Against Romania Reported

AU0207191788 Tirana Domestic Service in Albanian 1800 GMT 2 Jul 88

[Text] MTI reports that demonstrations took place this week in Budapest to protest against the treatment of the Hungarian minority in Romania. The news agency also states that Romania must be held responsible for its policy toward the Hungarian minority and the changes observed in the territorial and administrative structure in Transylvania, a region of Romania in which live 2 million members of the Hungarian minority. The changes also include the destruction of villages inhabited by members of the Hungarian minority and the transfer of the latter to large centers. The agency reports that a special delegation representing the demonstrators handed over a protest note to the Romanian ambassador in Budapest.

AGERPRESS, on the other hand, reports that Romania has decided to close down the Hungarian General Consulate in the city of Cluj-Napoca, in Transylvania, as well as the Hungarian cultural center in Bucharest. The Hungarian ambassador in Bucharest was informed about these moves by Romanian Foreign Minister Totu.

AGERPRESS also reports that a meeting of the Hungarian Minority Council and a meeting of the Romanian party's Central Committee [as heard] were held to examine the question.

The Hungarian Government has protested to the Romanian Government about the closures.

The dispute between the two countries was also discussed at a session of the Hungarian parliament held recently in Budapest.

Comparison of Article on Perestroyka

Tirana ZERI I POPULLIT in Albanian on 24 June carries on pages 3-4 a 6,500-word article entitled "Perestroyka—A Program and Strategy of Strengthening Soviet Social Imperialism." The ZERI I POPULLIT report has been compared with the Tirana ATA English version published in the 27 June 1988 East Europe DAILY REPORT, pages 6-9, revealing the following variations:

Page 6, column two, between penultimate and last paragraphs, ZERI I POPULLIT adds the following paragraph:

...of the bourgeoisie.

His predecessors speculated with the terms "real," "developed," or "mature" socialism. The present Soviet leadership is seeking to detach itself even openly and officially from all socialist labels, even if they are formal, that may have remained. In his speech on the 70th anniversary of the October Revolution, Gorbachev stressed that the major task of perestroyka is to overcome the limited and historically outdated traits of the methods of work, to introduce more contemporary measures into socialism, to provide it with a new quality, and to find, as he puts it, a "new model of contemporary society."

Summing up the...(supplying additional passage)

Between page 6, column two, last paragraph and page 7, column one, first paragraph, ZERI I POPULLIT adds the following paragraph:

...by this system.

According to its ideologues, one element of the self-managed socialism of perestroyka is the economic rivalry between state, cooperative, and private enterprises; the state relinquishes its administrative functions to a large extent and is transformed into a sort of arbiter who intervenes and controls socioeconomic life, the establishment of new authorities between the party,

government, and non-state organizations, the development of self-management, cultural pluralism, and so forth. The lack of theoretical originality is obvious in all these elements. They can be found in the programs of numerous European socialist, social democratic, and communist party programs.

The claims for...(supplying additional passage)

Page 7, column one, between penultimate and last paragraphs, ZERI I POPULLIT adds the following passage and runs these two paragraphs together:

...all their partisans. Being rightist deviationists, Kamenev and company were in favor of the free development of capitalist elements in the cities and in the countryside, a free market as economic regulator, and intended to undermine socialist industrialization and collectivization. That is why it is impossible to reject the Leninist line pertaining to the construction of socialism, to open up the way to private property, decentralization, and self-management, without rehabilitating their creators. It is known...(supplying additional passage)

Page 7, column two, between first and second paragraphs, ZERI I POPULLIT version includes the following additional paragraph:

...to the West.

Transformations in the economic base cannot fail to also dictate transformations not only with regard to the party's role, but in the entire political system itself. In this case, too, Gorbachev intends to destroy a tradition that has become an obstacle to himself. The electoral system, the function and authority of the legislative and executive organs, this is all being subordinated to the new political strategy. This will also be the intention of the juridical system which will be another problem to be referred to at the National Party Conference. LITERATURNAYA GAZETA wrote recently that a presidential political system, which has proved to be extremely efficient in numerous Western democracies, would better meet the contemporary needs of the Soviet Union.

Hence, perestroyka aims...(supplying additional passage)

ZERI I POPULLIT includes the following additional passage at end of the last paragraph of column two on page 7:

...victories of socialism. The broad avenues opened up to privatization in the cities and in the countryside are intended to further stimulate the petty bourgeoisie and its output, which, as Lenin stated, gives birth to capitalism every day and every hour.

Through the new...(supplying additional passage)

Page 8, column one, between first and second paragraphs, ZERI I POPULLIT adds the following sentence to the end of the first paragraph and includes the following additional paragraph:

...in the West. This mechanism also became operational in the activity of the kholkhozes, at their fourth congress, held last March.

Through the new system of greater authority for technocrats and production administrators, the intention is to stimulate this strata of the Soviet bourgeoisie in order to create more surplus value, so essential to the growing needs of the forced militarization and of the parasitic consumption of the entire new Soviet revisionist bourgeoisie as a class.

Parallel with the...(supplying additional passage)

Page 8, column one, between second and third paragraphs, ZERI I POPULLIT includes the following additional sentences at the end of the second paragraph:

...time by Gorbachev. Foreign economic relations have also been decentralized and the state enterprises, kholkhozes, cooperatives, and various private entrepreneurs will be allowed to contract transactions directly with foreign firms. A greater integration of the Soviet economy in the capitalist system of the world economy is being sought in all possible ways.

Gorbachev represents his...(supplying additional passage)

Page 8, column one, between penultimate and last paragraphs, ZERI I POPULLIT includes the following additional sentence at the end of penultimate paragraph, and adds the following additional paragraph:

...openly private capitalism. This tactic used by Lenin at the time is now being proclaimed by Gorbachev as a strategy, which he calls "Leninist" (!)

The Leninist strategy of the construction of socialism in the Soviet Union was based on industrialization, collectivization, the modernization of the country's economy, the establishment of social property, and the limitation and liquidation of private property. Stalin applied this strategy with revolutionary consistency, implementing a magnificent program of socialist construction. World War II showed where this magnificent program led.

The present-day Soviet...(supplying additional passage)

Page 8, between last paragraph of column one and first paragraph of column two, ZERI I POPULLIT includes the following additional paragraph:

...or by reforms."

Under the conditions of capitalism, the introduction of both state monopoly capitalism and private enterprise, or a combination of both, is a maneuver of the bourgeoisie to secure its political and economic power, as well as its profits. In the capitalist society and economy, reforms of any kind are based primarily on the intensification of the oppression and exploitation of the toiling masses. This has also been brought about by perestroyka in the Soviet Union during the past 3 years. As the economist G. Popov admits in the journal OGONEK, "the growing material demands of the workers still cannot be met." He complains that a good proportion of the workers represent "a major center of opposition to perestroyka" and he calls for the creation of "pressure groups" to develop perestroyka with selected workers in the private and cooperative sectors.

The social and...(supplying additional passage)

Page 9, column one, between first partial paragraph and first full paragraph, ZERI I POPULLIT includes the following additional paragraph:

...the black white.

By means of dramas, films, books, and poems slandering the revolution and socialism, they are preparing the terrain for the official crowning, in the present-day Soviet Union, of the social and spiritual ideals of bourgeois democracy, of decadent bourgeois art and culture, and of the entire bourgeois way of life. Gorbachev is thus seeking to make political capital in the West, guaranteeing that from now on the Soviet Union will be open to dissidents and refuseniks of all kinds, as well as to ideologies of all hues.

Gorbachev has launched...(supplying additional passage)

Page 9, column one, between second and third full paragraphs, ZERI I POPULLIT adds the following paragraph:

...the national problem."

The national question again rose to the surface with the introduction of the Khrushchevite line and the restoration of capitalism in the Soviet Union. NOVOSTI admits that in the letters arriving in the editorial boards of major Soviet newspapers "many people express their concern about the future of their native languages. They stress that in many regions of the Soviet Union the schools where teaching takes place in native languages are being closed down." Another agency publishes the letter of a lawyer from Riga, saying that "it was not Stalin who destroyed the equality of languages, but Khrushchev and Brezhnev. As long as Stalin was alive, the Constitutions of all the republics strongly defended native languages with strict laws. What is the situation now? Will there ever be discussions against Khrushchev's and Brezhnev's crimes against non-Russian cultures and languages? It is easy to rehabilitate Bukharin, but what is going to happen with the rights of varied languages?"

Perestroyka is winning...(supplying additional passage)

Page 9, column one, between last full paragraph and last partial paragraph, ZERI I POPULLIT adds the following sentence to the end of last full paragraph and includes the following additional paragraph:

...of the party. Gorbachev's alarming call that "the most determined supporters of perestroyka" be elected to the party conference is a reflection of this struggle.

The ardent partisans of perestroyka do not wish to let their opponents gain time. They are in favor of its rapid and radical implementation. LITERATURNAYA GAZETA openly confirms that "half-baked measures in the economic system cannot provide results. Compromise solutions, and there are many of them, cannot bring about the desired changes." The major opponent of perestroyka is the big state bureaucracy, which will not voluntarily relinquish its posts and privileges for the benefit of the new NEP-men. Perestroyka contains within itself a clash of interests between various groupings of the bourgeois class in power, hence internal conflicts and clashes will be inevitable. In order to prevent unexpected happenings and as a result of the fear of a coup, as happened in Khrushchev's case, Gorbachev's supporters have launched the idea that the post of first secretary should not be determined by the Central Committee, but that it should be the subject of open discussion among the masses and within the party, or that he should be elected directly by the party congress.

The ideological, economic...(supplying additional passage)

Page 9, paragraph continued from bottom of column one to top of column two, ZERI I POPULLIT includes the following additional passage, after the end of the first sentence of the paragraph: ...zones of influence. It is true that the Soviet Union currently needs a period of calm, that it needs to save forces and funds. But this is temporary and is intended to permit a regrouping of forces, to define new tactics and movements in order to consolidate and extend Soviet domination everywhere. Perestroyka in the...(supplying additional passage)

Economic Progress Report for 26 Jun-2 Jul 88

AU0207191988 [Editorial Report] Tirana Domestic Service in Albanian in its transmissions between 26 June-2 July carries the following economic performance reports (time and date of transmission in parentheses):

Gjirokaster District has exceeded its 6-month industrial production plan by 2 percent. (1800 GMT 2 Jul)

Kruje District prefulfilled the 6-month general industrial output plan by 2 percent or 7 million leks. (1800 GMT 26 Jun)

Sarande District exceeded the 6-month industrial production plan by 10 million leks. (1800 GMT 29 Jun)

Tepelene District exceeded the 6-month industrial production plan by 2 percent. (1800 GMT 27 Jun)

Tirana District expects to exceed the 6-month industrial production plan by 8 million leks.

'Tragedy' Cited in Downing of Iranian Airbus

U.S. Involvement Blamed

AU0507115888 Sofia BTA in English 1058 GMT 5 Jul 88

[Text] Sofia, July 5 (BTA)—Who would believe that with state-of-the-art radar equipment at their disposal, the crew of a U.S. Navy ship cannot tell a civilian airbus from an F-14 fighter plane, asks today's "RABOTNICHESKO DELO" in connection with the tragedy of the Iranian airliner shot down by American missiles in the Persian Gulf.

Commenting under the heading "'A Tragic Mistake' or a Crime", the paper says that the roots of this human tragedy should be sought in the U.S. military presence in the Gulf which has hardly helped security there. The U.S. has usurped the right to lord it in the area as in its own territorial waters. The tragedy of the Iranian airliner is not a "tragic mistake" but rather a tragic consequence of the Pentagon actions in a region thousands of miles away from the U.S., "RABOTNICHESKO DELO" writes.

There are hard facts proving that the U.S. is getting ever more hopelessly bogged down in the Persian Gulf conflict, says "NARODNA ARMIYA" in its commentary. According to the newspaper, the frigate "Stark" incident has brought it home to the Pentagon that a threat breeds another threat and violence breeds violence. The U.S. actions stem from the present orientation of the administration towards a settlement of global problems by force, is the "NARODNA ARMIYA" conclusion.

Winding up its commentary, "RABOTNICHESKO DELO" recalls that the U.S. has turned down the Soviet suggestion that all foreign warships be withdrawn from the Persian Gulf because the U.S. puts a premium on its military presence there as a way to secure control over the flow of oil for itself rather than on guaranteeing the safety of international shipping and air traffic.

BTA Declaration Issued

AU0507181188 Sofia BTA in English 1646 GMT 5 Jul 88

["Declaration of Bulgarian Telegraph Agency" —BTA headline]

[Text] Sofia, July 5 (BTA)—The following BTA declaration was circulated here:

The Bulgarian public is seriously worried by the downing of the Iranian airliner on July 3, this year, in the region of the Strait of Hormuz, by the U.S. cruiser Vincennes.

It views this human tragedy as a logical result of the intensive foreign military presence, which has not been provoked by anything, in an exceptionally explosive region, which should immediately be stopped. The violation of the basic human right - the right to live, of the existing international practice in the sphere of civil aviation cannot but bring sincere concern in everyone. The responsibility for this tragic incident falls entirely on the American side. The Bulgarian public expresses its sincere sympathy and condolences to those close to the victims and the members of the crew and to their families.

Zhivkov Sends 4 July Congratulations to Reagan

AU0507153388 Sofia RABNOTNICHESKO DELO in Bulgarian 4 Jul 88 p 1

[Text] Todor Zhivkov, chairman of the State Council, sent a telegram to U.S. President Ronald Reagan, on the occasion of his country's national day. The telegram expresses sincere greetings and best wishes for the American people's peace and prosperity.

The telegram expresses confidence that the improvement and gradual expansion of relations between the People's Republic of Bulgaria and the United States will be pursued for the sake of a safe future and cooperation among peoples.

Zhivkov, Mladenov Receive Vernon Walters

AU0507185488 Sofia Domestic Service in Bulgarian 1730 GMT 5 Jul 88

[Text] Todor Zhivkov, chairman of the State Council, received Vernon Walters, U.S. permanent representative to the United Nations, in Sofia today. During the meeting opinions were exchanged on the role of the United Nations and on Bulgarian-American relations.

Comrade Todor Zhivkov briefed his guest on the basic principles of the foreign policy conducted by Bulgaria and by the Warsaw Pact member states, principles which stem from the new political thinking. The chairman of the State Council expressed the Bulgarian leadership's satisfaction at the positive development of relations between the Soviet Union and the United States, and of the transition from confrontation to cooperation which is having a beneficial effect upon all international life.

The subject of Bulgarian-U.S. relations was positively evaluated, and the two sides expressed their governments' readiness to encourage the development along ascending lines, in the interest of the peoples of Bulgaria and the United States, in the interest of peace and understanding in the world.

Vernon Walters was also received by Petur Mladenov, minister of foreign affairs. The guest presented a letter addressed to Petur Mladenov from U.S. Secretary of State George Shultz.

The progress of Bulgarian-U.S. relations was positively evaluated and specific cooperation opportunities were pointed out during this meeting.

Apart from bilateral relations, questions connected with the two countries' activities at the United Nations were also mentioned during the talk. Opportunities for a peaceful settlement of regional conflicts were stressed as well. Particular attention was paid to the Middle East situation, to the situation in the Persian Gulf and to the Iran-Iraq war.

The U.S. side provided an explanation in connection with the tragic incident that occurred when an Iranian aircraft was shot down by a missile from a U.S. warship. Minister Mladenov expressed the Bulgarian Government's concern over the tragic incident and confirmed Bulgaria's position in favor of withdrawing the military ships of all countries from the Persian Gulf region.

Zhivkov Telegrams Greetings to Gorbachev

AU0107202888 Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 88 p 1

[Text] Many greetings messages have been sent to the 19th All-Union CPSU Conference by fraternal communist and workers parties.

Comrade Todor Zhivkov has sent a greetings telegram to Comrade Mikhail Gorbachev:

"With all my heart," the telegram states, "I congratulate you in having developed so determinedly and convincingly, with Leninist daring and Leninist wisdom, the program for the further restructuring of Soviet society and for the renewing role of socialism in the struggle for the cause of peace and progress in the entire world.

"I wish you full success in your historic undertaking."

Greetings messages have been sent by Erich Honecker, general secretary of the SED Central Committee, by the PZPR Central Committee, the CPCZ Central Committee, and others.

Further Commentary on CPSU Conference

Gorbachev Report Examined

AU0207130988 Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 88 p 1

[Editorial: "The Chief Factor for Renewal"]

[Text] We will be returning more than once to the report of Mikhail Gorbachev, general secretary of the CPSU Central Committee. We waited for this report, and linked our thoughts, hopes, and desires to its content. Now we have to ponder it, draw conclusions of great importance for the future, and penetrate the very essence of the socialist renewal in the Soviet Union.

This was a report about the most important global problems of revolutionary restructuring. This was a report that supplied an answer to the main issue: What has to be done to intensify this restructuring and make it irreversible.

Much has been achieved in the years since the April 1985 CPSU Central Committee plenum. The workers class and the peasants are supporting restructuring by their deeds, and the intelligentsia has warmly responded to the party's appeal to take a most active part in the renewal processes. There has been a change in the public atmosphere, and there is a universal desire to gain new major successes in the socialist construction of the country.

As might have been expected, the report of the CPSU Central Committee general secretary was a model of strictness of approach, of dissatisfaction with what had been achieved, and of a marked critical approach toward shortcomings and weaknesses. The analysis of the state of the economy and social affairs, of the situation in the Soviets and within the party, and of the initiative and activity of public organizations and state organs and institutions leads to the clear and categorical conclusion that we could have accomplished much more during the 3 years.

The report is rich in new ideas of many directions. The reform of the political system is singled out as the key issue for restructuring, and no doubt particularly lively discussion will be generated on this issue at the conference. Moreover, several alternatives have been proposed on the most controversial issues, without dictating which of them should be accepted. The delegates themselves were called upon to seek the best solution and to argue for their own preferences, and the collective mind was to assess which was the most expedient and necessary solution for the party and the people.

The radical program for democratizing the political system itself in fact formed the key problem at the conference. The task posed by this program requires radical changes in the existing political system. The speaker explained in great detail the reasons that made such an approach necessary, we will merely mention the points that the administrative system of government by directive from above has brought about the formation of a hundred or so all-union ministries and about 800 republican ones, that the Soviets are to a large degree impersonal bodies, and that the people are extremely isolated and alienated from the government, and, what is more, that in the course of time the principle of democratic centralism has become largely displaced by bureaucratic centralism. The current task is crystal clear: The millions of people must involve themselves in practice in governing the country. If the political system is not changed, then restructuring will not succeed—this should never be forgotten or underestimated. From now on the series of proposals that were made will be the subject of the conference's attention, and no doubt there will be disputes about the fate of the Soviets and about

the problems of the party and the other public and mass organizations. However, from now on this is clear: Many substantial and radical changes have been outlined that must create firm guarantees that restructuring is irreversible, that phenomena such as the cult of personality and or stagnation cannot reoccur, and that democratization and glasnost will continuously gain new possibilities and forms of expression.

The conference has begun its work with a very hard-hitting report. Work is beginning in a workmanlike atmosphere, with a high degree of criticism and exigence, and with an awareness of the need for a constructive approach. It is beginning with a universal concern for the further successful progress of restructuring.

And the delegates will not forget that restructuring is no manna from heaven, it does not fall from the skies, and no one will carry it into the village or the town. Restructuring rests in the hands of one and all, of the communist party members and nonmembers, the leaders, and the workers. The sole and supreme goal and the only factor for the revolutionary renewal of the Soviet Union is man himself. Man, who will use the benefits, must also be the chief creative force.

"And what can I do personally for restructuring?"—This is the question that every worker must continually ask himself, so that it is realized by everyone that miracles do not occur and that everything that is fine has to come from the labor of the millions.

CPSU Conference Praised

AU0507200588 Sofia RABOTNICHESKO DELO in Bulgarian 4 Jul 88 p 1

[Editorial: "Conference for the Democratization of Socialist Society"]

[Text] Today, when the 19th CPSU All-Union Conference is already a part of history, we can say without any hesitation: The Conference accomplished its tasks and achieved its lofty goal. It fully justified the expectations of all Soviet people—Communists, as well as nonparty members.

The conference categorically and unmistakably confirmed that the path of revolutionary restructuring is the only correct and accurate guideline for the progress of Soviet society. This involves restructuring in the economic, social, and intellectual spheres, as well as in the political system. The main feature of restructuring is a maximum of socialist democracy. Restructuring is still gathering speed and strength, and it is envisaged that it will develop on a long-term basis, but, as Comrade Mikhail Gorbachev stated, precisely the restructuring process, will enable the Soviet country to reach a qualitatively new stage of its development. In the long run, restructuring, which will endow society with a new, humanitarian image, will restore and increase the force of attraction of socialism and will even more greatly enhance the international prestige of the Soviet Union.

Among the lively, nationwide discussion on the Theses of the CPSU Central Committee that were prepared for the conference we could hear voices saying: Have we done enough to guarantee the irreversible nature of the progressive processes? Is there no danger that, after some time, the innovative process may stop and stagnate, that the country may enter a period of stagnation which will disappoint the Soviet people and deprive them of confidence in the potential of the party and society, in their ability for further progress. Now, after 4 days of intense work by the conference delegates at the Kremlin Palace of Congresses, after the unusually frank and specific, fundamental, and clear debates, after the open clash of opinions, after discussions taking place before the eyes of millions of people, the party of Soviet Communists is emerging from this conference with the unshakable conviction of having accomplished a very firm step forward, toward the consolidation of the restructuring policy. The implementation of the decisions adopted at the conference, the radical reform of the political system, the adoption of addenda to the Constitution, the adoption of laws and official acts, and glasnost as a whole—all this will have to produce inviolable and unmistakable guarantees for the irreversibility of the innovative processes. This is the wish of the Soviet people and the source of inspiration of their confidence in their future, in the prosperity of their homeland, their children, and grandchildren.

We can say that the conference revived the Leninist principles and traditions of sharp, comradely, fundamental discussions, of tolerance for different opinions, of struggle against the monopoly of rights for those who are stronger and higher in rank. The conference set numerous examples of criticism of ministries, of the government, and of the CPSU Central Committee, and proceeded in a totally free and democratic atmosphere. The conference also set an example of a self-critical approach to one's own activities, style, way of thinking, and methods of work. For this reason, the television reports on the work of each conference day were awaited with the greatest attention in every home, for this reason people avidly read the full texts of the statements published by the newspapers. The debates, that lasted over 4 days, truly turned into a brilliant, unprecedented, and unforgettable lesson in democracy and glasnost. It was a lesson for the thousands of delegates and for the citizens of the great Soviet country, a lesson which was listened to and thoroughly examined by friends in various countries, a lesson which politicians and statesmen all over the world are taking into consideration.

The problem of the party's role under conditions of the restructuring process was one of the main subjects of the conference. The chief new element in this respect is that the party must get rid of inappropriate functions and

stop substituting for the work of the Soviets, the administrative, and the economic management organizations, that the party should be reborn and assert its own political functions. Many deformations and numerous elements of bureaucracy, showing off, and undemocratic actions in the everyday life of the party organizations have accumulated over the past decades. This is why the delegates so enthusiastically adopted the line of innovating the party's role as a political leader; this is the reason why they proceeded with so much care to examine the proposals ensuring guarantees against any kind of relapse into the personality cult or into stagnation, into monopolism and subjectivism in resolving the problems of socialist development. To revive the party on the basis of the Leninist principles, to make it a strong political leader of society, to grant the most favorable conditions and opportunities for the initiative and creative spirit of the organizations, institutions, and departments, to consolidate the principle of self-management, to strengthen every individual's lofty sense of responsibility—this is the focus of all efforts today.

In this respect, we should not fail to point out with particular attention the role played by the Soviets. As a matter of fact, only from now on will the Soviets be granted the rights they deserve, only from now on will they feel that they are real organs with their own real power, with their own competences and responsibilities. Only from now on will we be able to expect the implementation of the famous slogan that the whole power should be given to the Soviets, by most actively involving the participation of hundreds, thousands, and millions of Soviet people in their work. This will once more reveal the further democratization of the country to the highest possible degree.

In terms of its importance, the 19th CPSU All-Union Conference should be compared to famous events such as the Seventh April Conference of 1917, the April 1985 Plenum of the CPSU Central Committee, and the 20th as well as the 27th CPSU congresses. The 19th CPSU Conference inaugurates a new period in social life, in the development of the theory and practice of socialism.

Since the main question which was discussed and on which numerous important decisions were adopted was the question of comprehensive democratization in all spheres of life, we are fully justified in stating, as early as today, that a conference aimed at the democratization of socialist society has entered history. This conference is entering history with its own spirit, with its constructive nature and innovative quality, with a great sense of responsibility, it is setting an example of selfless and honest efforts in the service of the people and of socialism.

The Bulgarian Communists and all our people followed the work of the conference with unrelenting attention and interest. Today, in welcoming its successful conclusion, we fraternally wish the most effective implementation of the intended changes, so that the victories of restructuring may multiply, and our ideal may be triumphant, and so that the image of a humanitarian socialist society may be further enriched.

'Spirited' Debate Viewed

AU0207143288 Sofia BTA in English 1337 GMT 2 Jul 88

["Comprehensive Programme for Deepening of 'Perestroyka'"—BTA headline]

[Text] Moscow, July 2 (BTA spec. corr. Venelin Mitev and BTA corr. Valeri Naydenov)—The conference of the Soviet Communists gripped the planet's attention with the open and sincere exchange of opinions which reflected human interests and positions. A Western journalist here said: "There was everything but fear inside the conference hall". The world saw what socialist pluralism in action meant.

The world saw also that the Soviet Communists did not depart from their ideals and it was the debate—spirited and sharp at times—that unites them with the sincere desire to free the entire historical potential of socialism.

On what points were the delegates unanimous and what were the disputes about? The need of restructuring was not called in question by any of the delegates. All supported the radical reform of the political and state system, all stressed that the struggle against red tape should be enhanced, that publicity should develop further. There were no disputes on these questions.

There were disputes around some concrete approaches. In the opinion of a number of delegates the criticism in the press should not violate human rights and dignity, "one monopoly should not be replaced by another", as it was specified by Mr Mikhail Gorbachev. But all the speeches at the conference, as well as the resolutions it has adopted, do not leave place for doubt that "glasnost" will continue to develop further, that the press will have an ever- growing role in society.

There were also different visions related to the determination of the spheres of action of the party and state bodies, on the means and ways for further democratization of party life. And that was only natural: The theses for the conference, as well as the report of Mr Mikhail Gorbachev, had not set themselves the task to give ready answers, categorical directives. On the contrary, they provided full possibility for a broad and lively discussion, which gave birth to a number of new ideas.

In fact, behind the conference's "small sensation"—Boris Yeltsin's speech and the discussion after it, stands a question of exceptional importance, a question of principle: about the rates and methods of restructuring. In this respect the delegates were categorical: The political line pursued by the Central Committee is the most correct and most clear-sighted one.

At the opening of the conference Mr Mikhail Gorbachev said that the next years would determine the future of the Soviet state, the fate of the Soviet system. The prospect of this future outlined by the party conference is the following one: democracy—full blooded and unconditional; lawfulness without any exceptions; "glasnost" in everything—big and small; fraternity and comradeship in the relations; respect to diligence and talent; true service to social duty. This is the road to restructuring. And the guarantee for its irreversibility.

Tsanov Interviewed; Foresees 'Radical Change'
PM0107151288 London MORNING STAR in English 1 Jul 88 p 9

[Interview with Bulgarian Communist Party Central Committee Secretary Vasil Tsanov by Roger Trask: "'A Cause of All People'"—date and place not given]

[Text] Q. Last January at the Bulgarian Communist Party conference, party general secretary Todor Zhivkov called for "a fundamental new concept of the style of work" of the party. What progress has been made in this direction?

A. At first sight, the quotation from Comrade Zhivkov's report points to only one of the approaches outlined in his report—that all working people in our society should become the motor force of restructuring.

When we say that man is both the objective and the active factor of reconstruction, we are aware that the task we have set is impossible to implement unless it becomes the cause of all people.

It is impossible to put into action this mighty social mechanism unless the working collective and territorial communities become masters of socialist property and the subjects of its management, unless economic regulators are made use of, unless the interest of all individuals are taken into consideration and socialist democracy is further developed.

This, however, does not mean that we are renouncing the party's ideological and organisational functions, or that now they are obsolete. Under the conditions of restructuring their role is growing, but restructuring also sets new requirements to them. It is the need for new views and profound shifts in political and organisational work that raises the question of a basically new concept of its style.

In this light, changes in the role of the party in the management of society acquire particular importance. This does not mean that the party would no longer be the political vanguard of the working class and the people, or that its leading and guiding role would be restricted; it means that the party would be freed of functions hindering the elevation of this role to a qualitatively new level which would be adequate to the requirements of restructuring.

This gives rise to the problem of the means and methods, "the style of work," by which the party would implement its leading and guiding functions under the new conditions.

Restructuring in the style and methods of party leadership means, in the first place, a radical change in the relationships of the party with the state bodies, with the self-governing and the public organisations.

With a view of creating the conditions for the full-fledged functioning of the bodies of people's self-government and the other elements of the system of self-government, and of the political system as a whole, they should determine the ways of carrying out the party's policy in their own sphere, without "tutelage" by the respective party committees.

This, on the other hand, allows the party committees at all levels to direct their efforts towards working out the basic matters in the major directions of party policy, towards the means of influence through education and ideological work, including and above all, through the party cadres in the state organs and the public organisations.

We have been implementing our new concepts on the place and role of the party and its functions in society for only a short period of time. This does not allow us to assert that a thorough turn has already been effectuated; our experience is also insufficient yet.

But I can say that it was on the basis of our new approach that the new regional and municipal committees of the party were set up, in conformity with the changed administrative and territorial systems of this country.

Their structure and functions have changed, the party apparatus was drastically reduced. Instead of administrating, the party committees are now adopting predominantly political methods of party guidance.

This ensures both larger scope for giving expression to the creative activeness of the self-governing communities, and greater opportunities for the real influence of the party on social developments. This, and we are certain about it, will enhance its leading and guiding role.

Q. Some Western commentators claim the perestroyka process marks a partial move to capitalist methods and thinking rather than a strengthening of socialism. How do they respond to this assertion.

A. This is not a new assertion. Some people in the West are even of the opinion that socialist economy has no other way but to go back to the methods and incentives of the private economy, to private ownership. These assertions, however, result either from poor knowledge of the processes of reconstruction in our countries, or from ill-will

By the way, I would like to point out—and this is no secret—that some people in this country harbour certain apprehensions relating, for example, to an eventual excessive differentiation of incomes or unemployment; however, these apprehensions are not identical to the claims of Western commentators, these are radically different things.

Our party and nation have a comprehensive theoretical, political and practical platform of restructuring. It was worked out at the July 1987 Plenum of the BCP Central Committee and was endorsed by the national party conference in January 1988. This concept maps out the ways for a radically, genuinely revolutionary restructuring of all areas of public life—the economy, social and spiritual spheres.

But in order to grasp correctly the renovation processes in Bulgaria it is necessary to point out that they are based on a number of fundamental principles which enjoy the unanimous backing of our people. What are the major ones?

The leading and organising force of restructuring is the Communist Party. The ideology of our development is Marxism-Leninism. Socialist property is one and indivisible in its variety. We are going to consolidate its various forms: state, co-operative, municipal, group and personal but they are all forms of public, and not of private ownership.

Replacing the administrative and commanding methods of management of the economy, extending the rights and self-government of working collectives and territorial communities will be coupled with preserving the state management, the planned strategic management of social development.

In other words, we cannot speak of any reverse to capitalism. The goal of restructuring is to reach a qualitatively new state of socialism which would reveal ever more fully its creative, democratic and human potential.

Q. Comments have also been made in the West that while Bulgaria is implementing perestroyka—glasnost and political reform is proceeding at a far slower pace. In this criticism valid?

A. As I pointed out above the renovation developments in Bulgaria are all-round. They affect the forces of production, the relations of production as well as the entire state, legal, ideological and political superstructure.

Some of these processes are still in a state of inception and are going to pick up speed from now on. Others have made considerable progress because on a number of them our party has been working for more than two decades now. It is true that at the individual stages of restructuring we are concentrating our attention on given directions, but we always keep in mind the key significance of their unity and interdependence.

Q. Will contested elections, secret ballots and limits to periods in office be the norm now in both the party and the state?

A. These matters will be concretely solved during the discussions and changes in the BCP Constitution at the following party congress, as well as by adopting the new Constitution of the country, as proposed at the national party conference. There can be no doubt however that the development of socialist democracy and of our political system will unfold in this direction.

Q. Economic policy is increasingly being executed through economic levers. How is this strategy to be developed both until the end of the current five-year plan and after 1990?

A. I would take this opportunity to emphasise that in the course of restructuring, since the very beginning we attached great importance to the development of the relations of production whose core is the relation of ownership. The changes are based on the tenet that society is the owner of the means of production while the working collective ought to be their direct master.

In April 1987 the national assembly adopted a declaration on transferring socialist property to working collectives to be managed and run by them. The transfer of property which is under way now is actually a process of transferring part of the power directly to the working class, to the people.

The beginning is being laid of a gradual exercise of power not only "in the name of the people" but also by the people themselves. This leads to substantial changes in the place and role of the working people in the management of production.

Self-government and socialist democracy in production gain in strength at the enterprises. The working collectives have the right to elect both their members and their management, including directors of factories and plants.

Important changes were brought about in economic structures. The basic self-governing unit in the economy now is the enterprise. It has independence in planning, allowing it to determine itself the objectives and tasks of its development as well as its policies in science, technology, investment and production, the forms and the objects of association and merger.

Financial autonomy means that the enterprise will develop through its own means and through bank credits, that it will be fully responsible for its efficiency.

It is against this background that the importance of economic levers stands out. Among them, particular importance belongs to prices. Since the beginning of the current year we have introduced a reform of wholesale prices to bring them in conformity with prices given to individual items in the international market. Prices of about 20 per cent of the goods have already been modified, mainly of raw materials and power-production branches. We intend to conclude this reform by 1990.

The changes in the prices of the means of production will result in changes in the prices of consumer goods. We intend to begin a comprehensive price reform at the beginning of the next five-year plan in 1991. It will be accompanied by rises in wages and salaries and various other compensations so that the well-being of the people should not suffer.

I must definitely say that the price reform will not be carried out at the expense of the standard of living in any case.

After 1990 we will introduce a perfected tax system. The role of banks will be enhanced. As a whole, our idea is to complete the major changes in the next two or three years in general lines, and from the beginning of the next five-year plan to begin implementing stage by stage processes which will be a logical follow-up of the economic reform we have started. However, we are aware that progress necessitates continuous reform.

Q. Will the legacy of centralised economy, plus the social and political consequences of bankruptcy in consistently loss-making enterprises lead to pressure to continue to subsidise the inefficient? Is there any threat of unemployment?

A. I would first of all like to explain the meaning of bankruptcy in our view. Closing down an enterprise will be an extreme measure. There are no such cases yet.

More probable will be the cases when an enterprises ceases to exist as an independent unit and is given over to another, stronger enterprise or association, to be reconstructed and modernized.

As for unemployment, in Bulgaria it is not a problem at present. A number of our economic branches experience acute shortage of labour. So, if an enterprise should be bankrupt and should be closed down, its workers would be needed elsewhere immediately.

Obviously, we are aware that the restructuring of the economy and the introduction of sophisticated robot technologies might in the future face us with the problem of unemployment. But it is here that the strength of central planning and socialism as a whole lies.

We conceive of full employment as an important achievement and an inalienable value of socialism and we shall not allow unemployment. That is why even now we are thinking over and working on the problems of training and retraining working people in conformity with the requirements of our future development.

Q. Does the delay in holding the Central Committee plenum expected to be held in May indicate any intention to slow the space of restructuring? Can you say something about when it will be held, its expected agenda, and other possible changes.

A. The delay in holding the plenum is only due to our desire to prepare it better. As you are aware, the plenum will discuss the basic directions of restructuring in spiritual life and ensuring, together with the broad circles of the intellectuals, the conditions for their active participation in the renovation of our society.

The Politburo has already adopted Basic Directions and Tasks of Restructuring in the Spheres of Science and Artistic Culture, and this document was published in the press to be discussed nationally as draft decisions of the forthcoming plenum. A similar document will be published on the restructuring of education.

We will hold the plenum when we will have summarised the results and the suggestions put forward in the course of the discussion, and we will include them in its documents and draft documents.

Husak Cables Khamene'i on Airbus Downing

LD0507152188 Prague Domestic Service in Slovak 1500 GMT 5 Jul 88

[Text] Gustav Husak, president of the Republic, has sent a telegram of condolences to Iranian President 'Ali Khamene'i in connection with the attack by the U.S. Navy on the Iranian civilian aircraft. During this attack, 228 [number as heard] people died.

Varkonyi Interviewed on Slovakia Visit

LD0407221188 Budapest Television Service in Hungarian 1730 GMT 4 Jul 88

[Text] There was a Hungarian-Czechoslovak foreign ministerial meeting in Komarno in Slovakia today. At the end of Peter Varkonyi's 1-day friendly working visit, the two foreign ministers gave an interview to Akos Moldovanyi:

[Begin recording] [Varkonyi] We jointly assessed our bilateral relations as developing excellently, being problem-free. It is worth a particular mention that in the Czechoslovak Socialist Republic, here in Slovakia, the nationalities lie very well alongside each other, and they have done a great deal to ensure nationality rights. This is worthy of recognition, and this can and must be developed further. We speak extremely openly and honestly with each other about these questions too, and this helps mutual understanding and the better solution of questions. [passage indistinct]

Further Reportage on MPR's Sodnom Visit

Visits Prague Monument

LD0307114188 Prague Domestic Service in Czech 1030 GMT 3 Jul 88

[Text] Dumaagiyn Sodnom, chairman of the Council of Ministers of the Mongolian People's Republic, visited this morning the national monument in Prague-Zizkov. Accompanied by the music of the fallen revolutionaries march he laid a wreath at the grave of the unknown soldier and paid homage to his memory. The solemn act ended with the Czechoslovak and Mongolian state anthems. Before his departure from the national monument Dumaagiyn Sodnom signed the visitors' book.

Holds Talks With Strougal

LD0307165088 Prague CTK in English 1429 GMT 3 Jul 88

[Text] Prague July 3 (CTK)—Premiers Lubomir Strougal of Czechoslovakia and Dumaagiyn Sodnom of Mongolia opened talks here today on bilateral and international issues.

The talks were also attended on the Czechoslovak side by Federal Minister of Metallurgy, Engineering and Electrical Engineering Ladislav Gerle, Deputy Chairman of the State Planning Commission Jan Strba, Deputy Foreign Minister Jaromir Nehera, Deputy Minister of Foreign Trade Jiri Memec, Chairman of the Czech Geological Office Josef Pravda, and Czechoslovak Ambassador to Mongolia Dusan Rozbora, and on the Mongolian side by Deputy Premier and Minister of Light Industry Choynoryn Suren, Deputy Chairman of the State Committee for Planning and Economy Dashdorjiyn Khadhuu, Deputy Foreign Minister Gombosurengiyn Dashdabaa, and Mongolian ambassador to Czechoslovakia Yondongiyn Ochir.

The two delegations informed each other about the course of restructuring in their countries. They stressed the extraordinary importance of the 19th All-Union Conference of the Soviet Communist Party which gave many impulses for radical changes in Soviet political and economic life and which will also influence the processes of democratization and intellectual rebirth in the entire socialist community.

Lubomir Strougal and Dumaagiyn Sodnom agreed about the need to continue in this spirit also in bilateral cooperation and in influencing the orientation of the Council for Mutual Economic Assistance which is to adopt at its 44th session in Prague significant decisions concerning integration and the creation of a common market.

Lubomir Strougal appreciated the high level of political relations between Czechoslovakia and Mongolia. He suggested the promotion of cultural and information exchange. Dealing in detail with economic cooperation, he said it should be further developed on the basis of mutual advantageousness and effectiveness.

Dumaagiyn Sodnom highly appreciated the results of bilateral cooperation and the aid Czechoslovakia grants to Mongolia.

Exchanging views on the international situation, the two premiers supported the initiatives of their governments on European and Asian problems. This applied in particular to the Czechoslovak proposal to create a zone of confidence, cooperation and good-neighbour relations along the line dividing the Warsaw Treaty and NATO states. Lubomir Strougal stressed Czechoslovakia's interest in a successful ending of the CSCE follow-up conference in Vienna. Dumaagiyn Sodnom emphasized the need for a general calming down of the situation in Asia and the Pacific region.

Received by Jakes, Husak

LD0407231588 Prague CTK in English 1541 GMT 4 Jul 88

[Text] Prague July 4 (CTK)—Mongolian Premier Dumaagiyn Sodnom was received by Czechoslovak Communist Party General Secretary Milos Jakes and President Gustav Husak today.

The Czechoslovak party leader and the Mongolian representative exchanged information on the progress of economic and social restructuring in their countries and on the results achieved in this respect. They stressed the importance of last week's 19th Conference of the Soviet Communist Party as its results are inspiring also for the activity of the two fraternal parties. They appreciated the level of Czechoslovak-Mongolian economic relations.

Milos Jakes and Dumaagiyn Sodnom praised the present favourable international development and the active role played in the process of the consolidation of peace and disarmament by the Soviet Union and countries of the socialist community.

President Gustav Husak and the Mongolian premier appreciated in their separate discussion the traditional friendly relations between their countries and stressed the need to enrich their cooperation with new forms, on the basis of mutual advantages.

During the meeting, Dumaagiyn Sodnom presented the Suhe Baataar order to Gustav Husak. The highest Mongolian distinction had been conferred on the Czechoslovak president in appreciation of his effort to promote Czechoslovak-Mongolian relations and his contribution to fraternal friendship between the people's of the two countries.

He conveyed to the Czechoslovak president an invitation to visit Mongolia, which was accepted.

Joint Press Release

LD0407231788 Prague CTK in English 1756 GMT 4 Jul 88

[Text] Prague July 4 (CTK)—Talks held between Czechoslovak Premier Lubomir Strougal and his Mongolian colleague Dumaagiyn Sodnom during the latter's visit here July 2-4 were marked by unity of views on all issues discussed, a joint press release on the visit said today.

They underlined the great importance of the processes of revolutionary renewal and basic restructuring currently under way in the socialist countries, and in this context of the 19th Conference of the Soviet Communist Party for socialism and the world.

Both sides expressed satisfaction with the steady development of fraternal relations between Czechoslovakia and Mongolia and reaffirmed their decision to extend bilateral cooperation in the economic, scientific-technological, cultural and other fields. Both sides spoke in favour of the development of new progressive forms of cooperation such as joint ventures, direct relations between enterprises and others.

They agreed that favourable prerequisites have been created to improve the world-wide climate and achieve a turn for the better in international relations.

Dealing with the situation in various parts of the world, especially Asia and Europe, both representatives voiced resolute support for the process of relaxation of tensions, lowering of the level of military confrontation and peaceful settlement of crises and conflicts.

Lubomir Strougal and Dumaagiyn Sodnom voiced deep satisfaction with the results of their talks. The Czechoslovak premier accepted an invitation to visit Mongolia.

Further Reportage on 'Arafat Visit

RUDE PRAVO Interview

AU0207164588 Prague RUDE PRAVO in Czech 29 Jun 88 p 8

[Interview with Yasir 'Arafat, chairman of the PLO Executive Committee, by Milan Madr, RUDE PRAVO staff journalist: "The Uprising Will Continue"—in Prague on 28 June]

[Text] Yasir 'Arafat, chairman of the PLO Executive Committee, who is currently paying an official visit to Czechoslovakia, gave an interview to our daily on Tuesday [28 June], in which he spoke about the uprising of the Palestinian people in the occupied territories, its prospects, and the changes on the international scene in favor of the struggle of the Palestinians.

[Madr] The uprising in the occupied territories continues gaining momentum. Do you plan to escalate it further?

['Arafat] Our uprising is undergoing various phases, among other things, of selective strikes and general strikes. Yes, we are preparing the further escalation of the struggle by means of a partial civil disobedience and later absolute civil disobedience campaign. That, however, means to become properly prepared for that task and also expect an even greater oppression from Israeli occupiers.

[Madr] What are the consequences of Israeli brutality until now?

['Arafat] The Israelis thought that when they murdered Abu Jihad (a prominent Palestinian representative who was murdered in Tunis in April) this would help them suppress the uprising. However, this crime has given our people new energy, even though they must pay dearly for their struggle. Until now we have had 371 killed, 1,600 pregnant women aborted as the consequence of various Israeli acts of violence, more than 10,000 Palestinians suffered injuries, of whom 3,400 are completely crippled. Moreover, 22,000 persons are in Israeli jails and concentration camps.

[Madr] The occupation forces have been increasingly destroying property of late...

['Arafat] They have on their conscience 1,000 acres (1 hectare is 2.5 acres) of scorched land, numerous destroyed trees, especially olive trees. Some of those trees were 2,000-3,000 years old, we call them Roman olive trees. This is a desperate loss for the Palestinian farmers; these old trees are a part of their traditions, they are a part of their families' history. The Israeli Army blew up 3,700 homes.

[Madr] What do you have to say about the decision that the Israeli armed settlers in the occupied territories are permitted to shoot at the Palestinians?

['Arafat] This only illustrates their dirty methods. At the same time, however, I would like to add that in my opinion they have made a fatal mistake when in one place and at the same time they have given power to two authorities, to the Army and the colonizers. If not right now, then from the long-term point of view this is a mistake.

[Madr] During my recent visit to the West Bank I noted great discipline by which the struggle of the Palestinians is marked.

['Arafat] It is not easy giving instructions to escalate the struggle in face of Israeli repression. The Israeli enemy, too, has been trying to figure out new methods against us. Therefore, the struggle requires tough discipline. You can imagine that there are among us people who have a weapon but will not use it, even then when they see that their dear ones are being beaten or massacred, because this would be a handy pretext for the Israeli Army. What self-control and discipline that demands!

[Madr] The economic and social problems of the Palestinian population in the occupied territories, usually not exactly good, have been increasing as the consequence of the Israeli intervention. Is there any help somewhere?

['Arafat] Three million of our people live abroad. Every three families have the duty to support one family inside. And we will continue this system.

[Madr] How do you assess the support for the PLO and the uprising accorded to them at the recent Arab summit in Algiers?

['Arafat] In the past there were many attempts to sidestep the inalienable Palestinian national rights. Some of those attempts even originated in Arab countries. I do not want to name them. But it is very important that our Arab brothers have given us support at this important time— because we need support, and they have given it to us.

[Madr] Do you see any changes in the political life of Israel caused by the uprising?

['Arafat] There have been changes in Israel in two respects: The progressive and democratic groups and the peace movement are currently strengthening. This is attested to by the recent declaration by 1,500 Israeli intellectuals, in which they condemn crimes against our people and call on the government to grant the Palestinians the right to self-determination. This is a very important change, just like the fact that for the first time a movement has also been developing among Israeli reserve as well as active officers. Not so long ago they founded the Council for Peace and Security, and some of them hold high positions. This also is the first time that people from these strata are for Palestinian national rights. At the same time, however, the influence of fanatical and extremist groups is also growing; among the youth, too.

[Madr] Do you think that the solution of the Palestinian issue will begin to move this year, and thus of the Middle East problem, when elections are due to be held in Israel as well as the United States, a matter which, as experience reveals, means political immobility rather than movement?

['Arafat] This is a critical year. The Israeli Cabinet will not make any decision before elections. The same applies to the United States. Therefore, we will continue our uprising; we have no other choice.

[Madr] How do you assess the acceptance in the world of the idea of an international conference on the Middle East?

['Arafat] The United States welcomed it at the summit in Moscow, but has its view on its nature. Asked whether the conference is to act as an arbiter, a mediator, or be only an umbrella, the United States favors the third. In contrast to this, we and our friends want an active conference under UN aegis, attended by the five standing members of the Security Council and all parties, including the PLO, with equal rights and on the basis of equality.

A part of the Israeli Government is against the conference. By this, however, I am not saying that the other half is in full favor it. But it is forced to favor it. By saying this I mean Peres and his Labor Party. Peres has connections with the Socialist International and knows that he must offer something acceptable. But he is far from the idea of an international conference—that we know for sure.

Otherwise, however, there is broad support for the idea of an international conference. In addition to what I already said about the Gorbachev - Reagan meeting in Moscow, it has been accepted by the socialist countries, the Arab countries at their summit, the nonaligned countries, the African countries, for the first time by the EEC, and also for the first time it has gotten the support of the recent conference of the seven capitalist states in

Toronto, at which the Palestinian rights were also briefly mentioned. Thus it is obvious that there is a broad international agreement that such conference should be held.

Holds Talks With Husak, Bilak

AU0207150288 Prague RUDE PRAVO in Czech 30 Jun 88 pp 1,2

[CTK report: "Y. 'Arafat With Comrade M. Jakes; Chairman of PLO Executive Committee Also Received by Comrades Gustav Husak and Vasil Bilak; the Guest Concludes His Visit to the CSSR"]

[Excerpts] Prague—Milos Jakes, CPCZ Central Committee general secretary, received a PLO Executive Committee delegation, headed by the Committee's Chairman Yasir 'Arafat, this Wednesday [29 June]. [passage omitted]

Present at the meeting were Vasil Bilak, CPCZ Central Committee Presidium member and Central Committee secretary; Michal Stefanak, CPCZ Central Committee department head; and Tomas Travnicek, deputy chairman of CSSR National Front Central Committee. Sami 'Abd Fattah, PLO representative extraordinary to the CSSR, was also present.

The Palestinian guests were received by CSSR President Gustav Husak on the same day.

In a cordial talk they devoted special attention to the situation in the Middle East. They exchanged views on the possibilities of resolving the Palestinian issue and achieving lasting peace in that area. Gustav Husak conveyed our admiration for the heroic uprising against the Israeli occupation, which the Palestinian people have been conducting for seven entire months on the West Bank of Jordan and in the Gaza Strip; and expressed full support for the Palestinian people's just struggle. The two statesmen agreed that the basic prerequisites for a lasting settlement in the Middle East lies in Israel's withdrawal from all Arab territories occupied since 1967, and in granting the Palestinian people their right to self-determination, including the right to create an independent state. In their eyes, the road to a peaceful solution leads via an international conference on the Middle East with the participation of all involved sides, including the PLO as the only legitimate representative of the Palestinian people and the permanent members of the UN Security Council.

Yasir 'Arafat pointed out the link between peace in Europe and peace in the Middle East; in this context he expressed support of the Czechoslovak initiative and the initiatives of other socialist countries, which are aimed at easing tension in Europe and which simultaneously influence the solution of the situation in the Middle East.

The reception was also attended by Tomas Travnicek and Bohuslav Chnoupek.

The PLO delegation was also received by Vasil Bilak, CPCZ Central Committee Presidium member and Central Committee secretary. In their talk they dealt with certain international issues, particularly with the topical situation in the area of the Middle East. They assessed in detail the problems of mutual CSSR - PLO cooperation, and the specific forms of Czechoslovak aid to the PLO in the achievement of its just goals and the satisfaction of the Palestinian people's demands.

The reception was attended by Michal Stefanak and Sami 'Abd Fattah.

The same day Yasir 'Arafat ended his official friendly visit and departed from Czechoslovakia.

Communique Issued

AU0207135288 Prague RUDE PRAVO in Czech 30 Jun 88 p 7

[CTK report: "Communique on Y. 'Arafat's Visit to the CSSR; Head of the PLO Representation in Prague Will Be Accredited as Ambassador to the Head of the Czechoslovak State"]

[Text] Prague—A communique on the official friendly visit by Yasir 'Arafat, chairman of the PLO Executive Committee, to the CSSR was issued on Wednesday [29 June]. It states that during the talks which were held in a cordial and friendly spirit, the two sides exchanged views on topical international issues and, in particular, on the development of the situation in the Middle East. The current state of mutual relations between the CSSR and the PLO and prospects for their further development were also assessed. The chairman of the PLO Executive Committee provided information about the situation in the Palestinian resistance movement since the 18th session of the Palestinian National Council, and about the development of the uprising of the Palestinian people in the occupied territories.

In assessing international issues, the two sides noted that positive tendencies are strengthening in international life despite differences, sudden reverses, vicissitudes, and the still unresolved problems of regional nature. They expressed the conviction that the positive changes in international developments would strengthen, the disarmament process would continue developing dynamically and become irreversible. They stressed the importance of new political thinking in international relations, which is the fundamental stimulus for the current positive changes.

They condemned the surviving spirit of confrontation and its catalysts, expressed support for the Soviet peace initiatives which, together with the growing influence of realistic forces, actively contribute to a fruitful political dialogue, by which they bring nearer a world without the threat of war and without violence.

Milos Jakes and Yasir 'Arafat highly valued the ratification of the Soviet - American Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, and favored the consistent continuation of the disarmament process and, in particular, of an early conclusion of a treaty on a 50-percent reduction of USSR and U.S. strategic weapons while observing the treaty on the limitation of the antimissile defense system.

The CSSR and the PLO expressed concern over the voices demanding the preservation of nuclear weapons as the guarantee of peace and security, and called for the total elimination of all weapons of mass destruction. In that connection the Palestinian side expressed its support for the Czechoslovak initiative aimed at establishing a zone of trust, cooperation, and good neighborly relations along the line of contact between the Warsaw Pact and NATO states, submitted by Milos Jakes, general secretary of the CPCZ Central Committee.

During the talks, the situation in the Middle East was assessed in detail from the viewpoint of a comprehensive and just settlement of the Arab - Israeli conflict and its core—the Palestinian question. The two sides stressed the exceptional urgency of activating the peace process in the Middle East, in which one should go from the general support for just principles of solutions over to practical political steps, which would enable the speedy convocation of an international conference on the Middle East under UN aegis on the basis of all its resolutions pertaining to the Palestinian question and the Middle East crisis, with equal-rights participation by all interested sides, including the PLO as the sole legitimate representative of the Arab people of Palestine, and with the standing members of the Security Council attending.

The Czechoslovak side expressed its resolute support for the heroic uprising of the Palestinian people in the occupied territories, which has a profoundly democratic character and irrefutably affirms the untenability of continuing Israeli occupation. The two sides noted how dangerous all the attempts of the Israeli Government are to suppress with force the just resistance of the Palestinians, and categorically condemned the brutal, terrorist methods employed by Israeli authorities against the defenseless Palestinian people, including political murders, the latest victim of which was Khalil Wazir, deputy commander of the Palestinian revolution, forcible deportations, and various forms of political, economic, and psychological pressure and intimidation.

The two sides regard Israel's withdrawal from all Palestinian and Arab territories occupied since 1967 and granting the Palestinian people the right to self-determination and to the establishment of their independent Palestinian state as the fundamental prerequisites for a peaceful and lasting settlement in the Middle East. No other solution can lead to lasting peace and create the necessary conditions for ensuring equal rights, security, and peaceful independent development to all states in the region and the Palestinian people. For this reason they regard the U.S. proposals for the solution of the situation in the Middle East as being an unsuitable basis for settlement.

The two sides assess as positive the conclusions of the special summit of the Arab countries in Algiers and, in particular, the revival of the common Arab stance on the rights of the Palestinian people, the affirmation of the support for the PLO , and the demand to convene an international conference on Middle East. In assessing the Iraq - Iran conflict, the two sides expressed profound concern over the continuing war, which seriously imperils not only the security and stability in Persian Gulf, but also peace throughout the world. They consider Security Council Resolution 598 to be a well-balanced basis for the political settlement of the conflict. The two sides favored more active utilization of the entire UN potential when persuing that resolution and voiced support for UN secretary general's efforts to mediate.

Regarding Lebanon, the two sides expressed their resolute support for its sovereignty, independence, and territorial integrity, and noted the need to strictly observe Security Council Resolution 425. On that occasion the two sides noted that the spilling of Palestinian blood in the Palestinian camps in Lebanon is at variance with the interests of Arab nations.

The two sides highly valued the role played by the United Nations in the contemporary international relations, and its important share in just settlement of regional conflicts. The CSSR and the PLO are of the opinion that the United Nations and its Charter constitute a real basis for the establishment of a comprehensive system of international peace and security. At the same time they unequivocally opposed the U.S. attempts to close down the PLO's observer mission attached to the permanent UN seat in New York.

The two sides voiced complete satisfaction with the results of the deliberations, the course of which has reaffirmed the unanimity of views on international issues. They also expressed appreciation for the development of CSSR - PLO bilateral relations to date, and expressed the conviction that they will continue to successfully develop. The two sides affirmed their decision to continue to comprehensively strengthen the friendship and cooperation between the Czechoslovak people and the Arab people of Palestine.

As a demonstration of solidarity with the struggle of the Arab Palestinian people and their heroic uprising in the occupied territories, and as the appreciation of the active and constructive role played by the PLO, the Czechoslovak side decided to accredit the head of the PLO representation in the CSSR as ambassador to the head of state.

Yasir 'Arafat valued this step as the confirmation of the principled and immutable CSSR stance on the just struggle of the Palestinian people.

Assembly Deputies Conclude U.S. Visit

LD0207102588 Prague CTK in English 1955 GMT 1 Jul 88

[Text] New York July 1 (CTK correspondent)—The visiting deputies of the Czechoslovak Federal Assembly were received here today by U.N. Secretary-General Javier Perez de Cuellar.

Head of the Czechoslovak delegation Bohuslav Kucera, deputy chairman of the Federal Assembly, appreciated the role of the United Nations and stressed that Czechoslovakia ascribes extraordinary significance to this organization in defending international peace and security and in solving various problems of the present international situation.

He underlined that Czechoslovakia favours a further development of the U.N. control mechanisms and a more active role of the secretary- general and the Security Council. He also supported the effort for a change in the organization's interests of all countries, including Czechoslovakia, must be taken into consideration. Javier Perez de Cuellar appreciated Czechoslovakia's positive share in the overall U.N. activities and underlined its participation in the initiative aimed at creating a comprehensive system of international peace and security and its own regional initiative aimed at the creation of a zone of confidence, cooperation and good-neighbour relations on the line dividing the Warsaw Treaty and NATO states.

He expressed his disappointment over the results of the recent third U.N. General Assembly special session where particular interests won over general ones, and voiced the hope that the next session will settle these problems.

The U.N. secretary-general pointed to the recent successful solution of regional conflicts, especially in Afghanistan. He stressed that all sides involved must observe their commitments, adding that other regional conflicts must be solved in a similar way.

Dealing with the current financial crisis of the U.N., he said that the debt of several states has reached about 600 million dollars, some 500 million dollars of the sum being the debt of the United States. This naturally weakens the possibilities of the United Nations to ensure proper activities of the organization, he stressed.

The Czechoslovak deputies left here for home tonight.

Italian Labor Minister Ends Visit

LD0207153788 Prague CTK in English 1506 GMT 2 Jul 88

[Text] Prague July 2 (CTK)—In spite of different social systems in Italy and Czechoslovakia the two countries have to solve similar problems in many social policy spheres, Italian Minister of Labour and Social Security Salvatore Formica told CTK before leaving Czechoslovakia today.

The minister, who paid an official visit to Czechoslovakia at the invitation of Czechoslovak Minister of Labour and Social Affairs Miloslav Boda, highly appreciated the openness of his talks in Czechoslovakia. The acceleration of the changes of economies causes changes in the structure of the national economy and in the social conditions of the working people. The two sides agreed that the problems connected with it must not be solved separately but that it is necessary to deepen cooperation, the Italian minister underlined.

Airbus Victim of U.S. 'Imperialist Cravings'

LD0607050688 East Berlin Voice of GDR Domestic Service in German 1705 GMT 5 Jul 88

[Albert Reisz commentary]

[Text] There is little point in trying to find technical reasons for the shooting down of the Iran Air Airbus. Was there an error on the radar screen? Was there human error? This will not provide any information, at best it is one person's word against another. It is probably hoped in Washington that it will all be forgotten one day. After all, what happened over the Persian Gulf was not a car accident in which such criteria can and must be used to conduct investigations; it was a plane catastrophe like no other. Nevertheless, what U.S. Senator Sam Nunn is now doing is interesting and appears to be justified. He is chairman of the Senate Armed Forces Committee and has called for clarification of the contradiction that although the cruiser "Vincennes," from which the 290 women, men, and children were killed, is equipped with the most modern and expensive radar technology, the crew confused a huge commercial airliner with a relatively small F-14 fighter. Incidentally, it should be quite familiar with this aircraft model, even if it flies for Iran, since the F-14 is a U.S. model. The fact remains, however, that this will not bring us any further because this outrageous action, which nothing can justify, has political dimensions.

Two hundred and ninety people were killed as a result of a policy against whose dangers the administration in Washington has been warned for years by the whole world and from within the United States itself. The FRG FRANKFURTER RUNDSCHAU was quite correct in stating today: "The shooting down of the Iran Air plane is the deadly consequence of political stupidity which led to a futile engagement in military terms." This is quite correct, even if one is not in complete agreement with the newspaper's other conclusions. Certainly the situation in the Persian Gulf is complicated, extremely complicated, and the surest way of making an erroneous analysis would be to simplify events there. There is just one issue and it is in essence very simple: What is the U.S. fleet doing there? For that, in the final analysis, is the reason a commercial airliner with 290 people on board was shot down by a U.S. cruiser.

Someone might object that something similar could have happened as a result of shots from a ship of the warring parties. It could have, but it has not happened. The two warring countries, who are conducting a senseless war, have (?done) many tragic things to each other, but not this. Facts remain facts, especially in politics. In concrete terms, the situation is as follows: War exists between Iran and Iraq in the Gulf. It has not been possible, either through the United Nations, by means of honest counsel from third countries, socialist or capitalist, or through the honest involvement of the nonaligned states, to persuade the two countries to end the war.

What is the minimum to be done in such a situation? They cannot be forced to embark on peace, which means that anything that first, could worsen the situation or secondly, allows the war to spread beyond the region, must be avoided. Restraint is the highest dictate for third countries. The United States has done exactly the opposite for years. It is demonstrable that its military presence, its massive military presence, and an unparalleled lack of thought in the Gulf region have already led to very dangerous developments on several occasions. Who asked the United States to send its fleet to the Persian Gulf anyway? What has the U.S. fleet achieved there, apart from making the situation worse and now causing the death of 290 persons? This has to be borne in mind, not merely because of the terrible thing that has happened there, but also because of what might still happen. It is now emerging, it is reported in the United States and the Gulf region, that the commanders of the fleet units are being given greater scope for making decisions. Thus a captain who is unaccustomed to thinking in political terms and who basically only knows about military technology is allowed to make decisions about war and peace. The legacy left to the world by the outgoing U.S. President is a dangerous one.

I have referred to lack of thought and I believe that the concept applies to what must be stated. Because of the United State's imperialist cravings, now in the Caribbean, now in Lebanon or the Gulf, the world is time and time again in a situation where innocent people are killed for the sake of the U.S. claim to world leadership, and much of a positive nature that is reached elsewhere is accompanied by demonstrations of strength that have so far achieved no more than the death of 290 people. Last year's U.N. resolution, which the United States supported, contains a decision exhorting levelheadedness and restraint in the Gulf region. The Washington administration fired in defiance of that decision and has burdened itself with an act of which no one can or will acquit it.

SED-SPD Security Talks Held in Frankfurt

LD0507164688 East Berlin ADN International Service in German 1141 GMT 5 Jul 88

[Text] Frankfurt/Main, 5 Jul (ADN)—Politicians from the SED and SPD yesterday evening reasserted the joint responsibility of the two German states for the continuation of the process of disarmament and detente at a forum in Frankfurt am Main to which Christians and trade unionists had issued an invitation.

Prof Otto Reinhold, rector of the SED Central Committee Academy for Social Sciences, with a view to the Basic Treaty between the GDR and the FRG, described issues of security and disarmament as a decisive element in bilateral relations. It will be within the spirit of their responsibility for peace if both German states put forward their own initiatives and proposals on this. The policy of dialogue by the GDR is directed at this. This

shows itself in the disarmament proposals jointly worked out with the SPD as well as in the International Meeting for Nuclear Weapons-Free Zones, held in Berlin.

In the opinion of SPD executive member Karsten D. Voight, the disarmament process must be continued with further zero-options, for example on short-range nuclear missiles and nuclear battlefield weapons, as well as with negotiations on the reduction of conventional weapons. The SPD politician described conventional disarmament as a core problem of security policy in Europe. The GDR supported the reduction of these weapons very early as a "pioneer," he said.

Axen Receives Portuguese CP Delegation
AU0507141788 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 2

[Text] East Berlin (ADN)—On Friday [1 July] Hermann Axen, Politburo member and secretary of the SED Central Committee, received a study delegation of the Portuguese Communist Party [PCP] headed by Angelo Veloso, member of the Political Commission of the Central Committee, which is currently on a several-day visit to the GDR.

During their friendly exchange of views, the two sides concurred that a change for the better is beginning to be discernible in the current international situation. With the entering into force of the Soviet-U.S. Treaty on the Elimination of Intermediate and Shorter-Range Missiles, new conditions have been created for extending the process of nuclear disarmament that has been initiated to other spheres. In this connection, vigorous efforts and fresh initiatives by all peace-loving forces are required in order to overcome the resistance of those NATO forces that continue to stick to the principle of nuclear deterrence and to the arms race. In this context, Angelo Veloso paid tribute to the world forum on nuclear-free zones in Berlin, by means of which the GDR has again made a sizable contribution to achieving understanding and cooperation among the peoples and states concerning the swift continuation of the disarmament process. He spoke in detail about the political and economic situation in Portugal and the PCP's preparations for its congress scheduled for December.

Hermann Axen briefed the visitors on the assessment of the stable and dynamic development of the GDR in implementing the resolutions of the 11th SED Congress, given by the sixth session of the Central Committee. He wished the fraternal Portuguese party much success in preparing and carrying out its party congress. The two sides spoke in favor of further strengthening the close, fraternal relations between the two parties.

The meeting was attended on the SED side by Heinz Lehmann, deputy chairman of the Central Committee International Relations Department, and on the PCP side by Albano Nunes, Central Committee member and head of the Central Committee International Relations Department, and Viriato Pinamora, scientific staff member of the Central Committee.

Kleiber Meets With Cuban Official in Berlin
AU0507185988 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 2

[Text] East Berlin (ADN)—Guenther Kleiber, member of the SED Central Committee Politburo and deputy chairman of the GDR Council of Ministers, received Antonio Rodriguez Maurel, deputy chairman of the Council of Ministers of the Republic of Cuba, on Friday [1 July].

During the meeting, the interlocutors paid tribute to the high level of relations between the GDR and Cuba in all spheres of social life. In their opinion, good results are being achieved in the implementation of the agreements reached between the highest representatives of both countries, Erich Honecker and Fidel Castro, aimed at strengthening and further developing cooperation.

Guenther Kleiber briefed the Cuban visitor on the results and tasks of the sixth session of the SED Central Committee, which are directed toward the implementation of the sociopolitical strategy adopted by the 11th SED Congress. He emphasized the direct link between the working people's numerous initiatives to strengthen the Republic's economic efficiency and the GDR's contribution to safeguarding peace.

Antonio Rodriguez Maurel reported on the efforts of the working people in his country to implement the resolutions of the Third Congress of the Communist Party of Cuba, particularly to increase the efficiency of production and to master science and technology.

Both politicians stated that economic and scientific-technological relations between the GDR and Cuba are developing steadily and systematically, and discussed measures to further strengthen economic cooperation. In this, cooperation in the construction of production facilities in order to systematically industrialize Cuba's national economy and to increase its export potential plays an essential role. Industrial branches linked with sugar industry, such as the production of chip boards, cellulose industry, and modern biochemical production methods, offer vast opportunities.

The talk was attended by Ramiro del Rio Perez-Teran, ambassador of the Republic of Cuba to the GDR.

PRC Health Delegation Visits, Meets Mecklinger
AU0507135488 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 2

[Text] East Berlin (ADN)—On Friday [1 July], Health Minister Ludwig Mecklinger received a delegation of the PRC Health Ministry, headed by Vice Minister He Jiesheng, in Berlin. At the conclusion of their visit,

Mecklinger briefed the guests on the results of health and social policies in implementing the decisions of the 11th SED Congress. The two sides drew a positive balance of the cooperation in the field of public health and medical science. They emphasized that an intensive exchange of information and experience is important for the development of health protection. The conviction was expressed that intensifying cooperation in medical science and practice has great prospects and will continue to be a lasting feature in the relations between the two countries in the future.

Dresden Party Head Meets CPC Politburo Member

AU0507145688 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 7

[Text] Beijing (ADN)—Hans Modrow, first secretary of the Dresden SED Bezirk leadership and member of the Central Committee, was received by Song Ping, member of the CPC Central Committee Politburo, in Beijing on Friday [1 July] at the end of his visit to the PRC. During the meeting, which proceeded in a comradely atmosphere, the visitor reported on the implementation of the resolutions of the 11th SED Congress and the sixth Central Committee session. Hans Modrow briefed Song Ping on the course and results of the Berlin International Meeting on Nuclear Weapons-Free Zones, to the success of which the representative delegation dispatched by the PRC made a sizable contribution.

Song Ping expressed his appreciation for the GDR's initiative and stated that the PRC respects the people's desire for the creation of nuclear-free zones. It also respects all existing and future zones that are free from nuclear weapons. He presented a survey of the reforms in the PRC's economy and social life that were strengthened and expanded by the 13th CPC Congress, and the steps that are being taken to tackle the problems that occur in this connection.

During a visit to Guangdong Province on the south Chinese coast, Hans Modrow held talks in Guangzhou on partnership relations between Dresden Bezirk and Guangdong Province, for which preparations are under way.

SED Official Meets CPC Figure in Beijing

AU0507144288 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 7

[Text] Beijing (ADN)—Bruno Mahlow, member of the SED Central Auditing Commission and deputy director of the Central Committee International Relations Department, was received by Yan Mingfu, member of the CPC Central Committee Secretariat, for a friendly talk in Beijing on Friday [1 July]. Bruno Mahlow and Yan Mingfu paid tribute to the high level of relations between the two parties and states. They conducted an extensive exchange of views on international issues and on cooperation between the SED and CPC.

Censorship of Church Newspapers Protested

AU0507152888 Bonn DIE WELT in German 5 Jul 88 p 1

[Text] Berlin (DW)—The leadership of the Federation of Evangelical Churches in the GDR has protested against the continuous intervention of the State Press Office in the work of weeklies owned by the church. A talk with representatives of the East Berlin State Secretariat for Church Affairs did not lead to the expected easing of tension, according to a declaration that became known yesterday. The church's task of preaching cannot be limited to spiritual guidance, but extends to all fields of human life. Therefore, it is stated, it is "inappropriate" to the relations between state and church if articles in church publications are rejected as a whole by the Press Office and not even put up for discussion. Moreover, intervention by the state does not only trouble the churchgoers. It also has a negative influence on Western media coverage.

In a letter to Willi Stoph, chairman of the GDR Council of Ministers, East Berlin Bishop Gottfried Forck also protested against restrictions on the weekly DIE KIRCHE and urgently requested an end to the obstacles to its reporting. According to information from East Berlin, it will not be possible to publish the edition of DIE KIRCHE which has been due for 1 week. The edition which should have been distributed last weekend had to be printed with comprehensive changes.

In a letter by the Berlin-Brandenburg Church Directorate it is stated that the Press Office had required several articles to be taken out of the paper, as the topics that were dealt with did not fall within the church's responsibility. It obviously took offense at articles on the Halle and Rostock church congresses, and on the world environment day. As has now become known, the 19 June edition of the weekly GLAUBE UND HEIMAT is not being distributed on account of disapproval of its coverage of the Erfurt church congress.

SED CC Message to Police on 43d Anniversary

AU0507142088 East Berlin NEUES DEUTSCHLAND in German 1 Jul 88 p 1

[Message from SED Central Committee signed by General Secretary Erich Honecker to the German People's Police on its 43d anniversary: "Class Assignment Invariably Fulfilled With Dedication"]

[Text] Comrades Sergeants, Noncommissioned Officers, Officers, and Generals!

Comrades civilian employees, voluntary helpers of the German People's Police and members of the voluntary fire brigades!

On the occasion of the 43d anniversary of the German People's Police, the SED Central Committe conveys to you its most cordial greetings and wishes.

Faithful to the assignment as police of the people and in comradely cooperation with the other protection and security organs you are making an important contribution to fulfilling the decisions of the 11th SED Congress. With great dedication you are fulfilling the class assignment to protect the socialist order and the peaceful life of the citizens and to ensure public order and security under any conditions. You are serving with devotion the well-being of the people and the safeguarding of peace. The SED Central Committee expresses its gratitude and appreciation to you and to all honorary staff who, with their voluntary work, are helping to ensure for the citizens of our country a life in peace and security.

The German People's Police came into being in the first days after the German people's liberation from Hitler fascism and matured in the struggles to establish and develop socialism on German soil. The German People's Police has proved its worth as an efficient force of our worker-peasant power in shaping the developed socialist society in the GDR. To protect the social achievements, the optimism and joy of living for the people in our country—this is what determines its daily task. Its work is marked by more and more comprehensively implementing order and security in all spheres of the society as the characteristic features of the quality of life in socialism.

We are firmly convinced that you will continue to meet all requirements with alertness and dedication in the future. For this, the leadership by our SED, the close bonds with the workers in towns and countryside, the close cooperation with all armed forces of the GDR and with its fraternal organs in the Soviet Union and in the other socialist countries will be sure guarantors.

The SED Central Committee wishes you, dear comrades, much success and creative energy, good health for you and your families, and all the best for your private lives.

With socialist greetings,

SED Central Committee

E. Honecker,

general secretary

Berlin, 1 July 1988

Congratulations were also extended by the GDR Council of Ministers.

Briefs

Assistance to ANC

Dar es Salaam (ADN)—A solidarity consignment, financed by donations from the GDR population, was put at the disposal of the RSA African National Congress (ANC). The goods, worth some M250,000, are assigned to the Dakawa ANC development and training center. Among other goods, the consignment consisted of 2 ambulances, 4 pick-up trucks, 40 bicycles, and foodstuffs. [Summary] [*AU0607120588 East Berlin NEUES DEUTSCHLAND in German 2-3 Jul 88 p 7*]

Cooperation With SRV

Berlin, 3 Jul (ADN)—The GDR's Deputy Premier Gerhard Schuerer, chairman of the State Planning Committee, and Le Danh, vice chairman of the State Planning Commission of the SRV, discussed in Berlin today bilateral cooperation between the GDR and Vietnam in science, the economy, and technology. Both parties agreed that economic relations were developing stably and dynamically. In this context, they stressed the significance of the prepared Long-Term Program on Economic, Scientific, and Technical Cooperation Until the Year 2000 between both countries, on the basis of which joint work, advantageous to both sides, in the most varied of areas will be extended. [Text] [*LD0507020088 East Berlin ADN International Service in German 0902 GMT 3 Jul 88*]

Grosz on Official Visit to Moscow

Meets With Gorbachev

LD0607084588 Budapest MTI in English 1940 GMT 5 Jul 88

[Text] Moscow, July 5 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers who stayed on a working visit in Moscow at the invitation of the CPSU Central Committee had a meeting with Mikhail Gorbachev, general secretary of the Central Committee of the Communist Party of the Soviet Union on July 5.

Mikhail Gorbachev warmly greeted Karoly Grosz on the occasion of his election to general secretary of the Hungarian Socialist Workers' Party and wished him all the best for his work. Appreciating the welcome Karoly Grosz emphasized that in his new capacity his first trip was to Moscow. This also confirms that the Hungarian communists attribute a distinguished importance to the friendship and cooperation with the Soviet Union.

The general secretaries of the HSWP and the CPSU during their more than three-hour long meeting directed the main attention to the renewal of socialism, the transformation of the social-political and economic structures and exchanged views on the advanced interpretation and enforcement of the leading role of the party.

Mikhail Gorbachev gave insight to the 19th Conference of the CPSU. He said, that for several decades this was the first really open party forum where deputies discussed the most urgent problems of the country with passion and interest. The most important is that all differences and eventual confrontations of opinions the strategy of perestroyka received strong moral and political support. [sentence as received]

Regarding material resources and trained manpower the Soviet Union has tremendous potential. A great deal might be achieved by establishing order, but it is of particular importance that the new economic mechanism really starts to work. In this field there are several organizational difficulties and social conscience is still not in complete order.

In this sense the party conference also expressed opinion with emphasis along with the innovative, pioneering and initiative people. The policy marked out by the party conference has immense importance because it set as targets the democratization of the party and the society, and the reform of the system of political institutions. Naturally under the conditions of democracy the leaders' job is more difficult but this has to be so. Earlier—there is no reason to deny it—some of them considered workers as some sort of subjects. Now, in order to become somebody the leader has to earn recognition and permanently prove it with good work.

Karoly Grosz speaking on the contemporary tasks of the HSWP emphasized that there is no alternative to social renewal. Following the conference of the HSWP the social consensus became stronger and confidence in the party increased. The conditions are favourable to make decisive steps for the improvement of the economic situation and the establishment of more open and rational business. The determined efforts of the HSWP are the streamlining of the system of political institutions, strengthening of democracy and social openness and the modern enforcement of the leading role of the party and the solution of the issues with the involvement of the workers.

Karoly Grosz went into details on the vast interest in each working day of the 19th Conference of the CPSU in Hungary. This could be explained as in May at the HSWP national conference where decisions related to the timely changes in the economy and politics were taken. The pressing task of the renewal of the socialist society is facing us, said the Hungarian leader. Regardless of the quite a few differences between our countries this process has a unified strategy. And in our country the involvement of the workers in state and social affairs is a priority. And we are looking for the optimal working methods and forms of the party, which as an elite political force of the society is not able to replace the state and much less the economic units. Mikhail Gorbachev also said that the CPSU leadership is carefully studying the documents of the Hungarian national party conference, and these were compared to their own ideas thus way [as received] checking ideas through the experience of friends. 'Of course in our country the situation is different, but there are coincidences, primarily regarding the spirit, theoretical ideas and concepts....' The leaders of the two fraternal parties discussed such contemporary issues as the enhancement of the role of the elected bodies and the mandatory subordination of the apparatus to these bodies.

[Transmission interrupted; MTI part 3 not received]

At the meeting some issues of the contemporary international situation was also mentioned. Karoly Grosz highly praised the results of the Soviet-U.S. summit emphasizing that the opening of the way to gradually eliminate Europe of nuclear armaments could be their due. [sentence as received] The participants of the discussion pointed out that at present the primary foreign policy problem of the continent is the reduction of the conventional forces and arms in Europe. The initiative of the Warsaw Treaty countries, made two years ago, was enriched with several proposals recently. Now the task is not to permit procrastination of the negotiations on the subject which is of primary importance for the future of each nation of the continent.

Hungary and the Soviet Union will continue to consult each other in the future and cooperate in the European issue, which is a priority subject of our foreign policies.

The meeting of Karoly Grosz and Mikhail Gorbachev was cordial and friendly with an open comradely atmosphere, characterized by full mutual understanding. At the meeting Vadim Medvedev, secretary of the CPSU CC also was present.

Returns From USSR

LD0507202788 Budapest MTI in English 1844 GMT 5 Jul 88

[Text] Budapest, July 5 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers who at the invitation of the Central Committee of the Communist Party of the Soviet Union made a working visit to the Soviet Union on July 4-5 returned to Budapest on Tuesday evening.

At the Ferihegy Airport he was seen by Janos Berecz, member of the HSWP Political Committee and secretary of the Central Committee and Geza Kotai, member of the HSWP Central Committee and head of the Foreign Affairs Department of the CC.

Vladen Puntus, the temporary charge d'affairs of the Soviet Embassy was also present.

Further Reportage

For Soviet and Hungarian coverage on the visit of MSZMP leader Karoly Grosz to the Soviet Union, including reportage on Grosz's meeting with Gorbachev and the two leaders' luncheon speeches, and see the East Europe section of the 6 July Soviet Union DAILY REPORT and subsequent issues.

Romanian, Other Press on Hungary, Romania

AU0607081888 Budapest NEPSZABADSAG in Hungarian 2 Jul 88 p 6

[Unattributed report: "Romanian Party Decision on Bilateral Relations"]

[Text] On 1 July the Romanian press published the 28 June RCP Central Committee session decision, a decision which, among other things, deals with Hungarian-Romanian relations. According to this decision, the Central Committee fully accepted the evaluation of Secretary General Nicolae Ceausescu on the exchange of letters between the RCP Central Committee and the MSZMP Central Committee and on the current state of bilateral relations. According to the decision, following the exchange of letters between the two parties, which express the desire to hold negotiations aimed at improving relations, "statements denigrating Romania's policy continued to be made in Hungary, various materials were published, there were new chauvinistic, nationalist, anti-Romanian, and antisocialist manifestations, and some of these manifestations were organized with the approval or even the sponsorship of official Hungarian party and state bodies."

The Central Committee Plenum approved "the initiative and proposal of the RCP Central Committee to organize a meeting between delegations of the RCP Central Committee and the MSZMP Central Committee to discuss Romanian-Hungarian relations." According to the Romanian party decision, this situation has emerged as a result of the unilateral actions taken by the Hungarian side. The RCP Central Committee hopes that the serious problems that have emerged in Romanian-Hungarian relations will be overcome as soon as possible in the interest of the two countries and peoples, and in the interest of socialism, understanding, and cooperation—the decision points out.

On 1 July, the Bulgarian press reported for the first time on the recent developments in Hungarian-Romanian relations. The Bulgarian dailies published the TASS reports dispatched from Bucharest and Budapest.

Quoting the TASS report from Budapest, a report based on MTI, the Bulgarian dailies reported on the Budapest demonstration held on 27 June, the closure of the Hungarian General Consulate in Kolozsvar [Cluj], and informed their readers about the position taken by the Hungarian Government.

The reports from Bucharest and based on AGERPRES informed readers about the session of the councils of Hungarian and German workers in Romania, and RCP Central Committee session, and Ceausescu's speeches. Summary prepared by the Bulgarian dailies contained primarily the Romanian statements on normalization, good-neighborly relations, and on the development of cooperation.

The two major Austrian parties that make up the government coalition, the SPOe and the OeVP, worked out a joint draft parliamentary resolution in favor of the German and Hungarian national minorities in Romania. This was announced on 1 July by Heinz Fischer, head of the SPOe faction in Parliament, and Fritz Konig, head of the OeVP faction in the Austrian Parliament, and who added that they would send the draft resolution to the opposition parties so that the Parliament could adopt it unanimously.

The draft resolution calls upon the Austrian Government to draw the attention of every international forum that deals with human rights to the events and trends in Romania that contradict human rights. These forums should demand that Romania observe the international agreement on civil and political rights and halt the actions that contradict these rights.

Speaking about the draft resolution, the two politicians said that Romania had signed the aforementioned international agreement and the Helsinki Final Act, and thus, Romania's recent steps contradicted the international norms and obligations, and gave cause for great concern.

Delegation Leaves for Prague CEMA Talks

LD0407211888 Budapest MTI in English
1747 GMT 4 Jul 88

[Text] Budapest, July 4 (MTI)—A Hungarian delegation headed by Jozsef Marjai, deputy prime minister and permaent CMEA representative of Hungary left for Prague to participate at the 44th CMEA session. The Hungarian delegation includes Miklos Nemeth, member of the HSWP Political Committee and secretary of the Central Committee, Janos Hoos, chairman of the National Planning Office, Pal Tetenyi, chairman of the National Technical Development Commission, and Gyula Horn, state secretary for foreign affairs. Istvan Szigeti, the deputy of the permanent Hungarian CMEA representative is to join the delegation in Prague.

More on Diplomatic Relations With EC

LD3006211288 Budapest MTI in English
1636 GMT 30 Jun 88

[Text] Brussels, June 30 (MTI)—The European Economic Community and Hungary have signed an agreement on commercial and economic cooperation in Brussels. Hungary is prepared to establish diplomatic relations with the West European community.

Under the agreement

—The EEC is to lift, within a definite time, all quantitative restrictions on trade turnover that are still in effect, and grant for Hungary a commercial treatment, equal with all the other GATT members.

—The EEC reconfirms that it recognizes all the other rights of Hungary stemming from its Gatt membership.

—The agreement envisages that the two sides should hold further talks on granting preferences to one another in agrarian trade on the basis of reciprocity, and on the mutual reduction of tariffs on some manufactured goods.

—Over and above the regulation of trade, the agreement extends to economic and industrial cooperation, and encourages the establishment of cooperation links, the foundation of joint ventures, patent agreements, and technical scientific cooperation.

—The sides are to take measures so as to facilitate the practical conditions of commercial and business life on the basis of non-discrimination and reciprocity.

—agreement was signed in the Brussels Headquarters of the EEC Thursday in the afternoon by Tibor Antalpeter, assistant under-secretary at the Ministry of Trade and head of the Hungarian delegation, and director Pablo Benavides, head of the delegation of the EEC Chief Commission.

After the signing ceremony Gabor Gobolyos, assistant under-secretary at the Ministry of Foreign Affairs, informed the representative of the EEC Chief Commission on the decision of the Presidential Council of the Hungarian People's Republic that it establishes diplomatic relations with the European communities, and presented the related note.

Deputy Foreign Minister Kovacs Visits U.S.

LD0107233288 Budapest MTI in English
1220 GMT 1 Jul 88

[Text] Washington, July 1 (MTI)—On the invitation of the U.S. Department of State, Laszlo Kovacs, Hungarian deputy minister of foreign affairs, visited the USA from June 29-30. The Hungarian diplomat met John C. Whitehead, deputy secretary of state, and Assistant Secretaries of State Rozanne Ridgway, in charge of European Affairs, Richard Schifter, in charge of human rights, Eugene McAllister, in charge of economic cooperation [title as received], and Allen Moore, assistant secretary of commerce, and other leading representatives of the departments of State and Commerce and the National Security Council.

The parties reviewed major issues of East-West relations, armament reduction, and the process of security and cooperation in Europe. The development of Hungarian-U.S. relations was assessed positively on both sides. They stated in accord that the forthcoming visit of Karoly Grosz, general secretary of the HSWP, to the USA is to be an event of outstanding importance in bilateral relations. The visit also gives an opportunity for exploring new areas of reciprocally advantagous cooperation.

Present at the talks was Dr Vencel Hazi, Hungarian ambassador to the USA.

Berecz, Others Attend U.S. Envoy's Reception

LD0407170688 Budapest MTI in English
1400 GMT 4 Jul 88

[Text] Budapest, July 4 (MTI)—On the occasion of the national day of the USA, Mark Palmer, U.S. ambassador to Hungary, gave a reception at the American School of Budapest, Monday.

Present at the reception were Janos Berecz, memberof the Political Committee of the HSWP and secretary of the Central Committee, Jozsef Marjai, deputy prime minister and minister of trade, ministers Frigyes Berecz of Industry, and Laszlo Somogyi of construction and town planning, State Secretaries Attila Madarasi of the Ministry of Finance, and Istvan Torok of the Ministry of Commerce, deputy ministers Peter Kovari of foreign affairs, and Ferenc Ratkai of education. Also present were leading personalities of the Hungarian political, economic and social life. The diplomatic corps were also represented.

MSZMP CC Secretary Szuros Leaves for Spain

LD0307191688 Budapest MTI in English
1545 GMT 3 Jul 88

[Text] Budapest, July 3 (MTI)—Matyas Szuros, secretary of the Central Committee of the Hungarian Socialist Workers' Party and president of the Foreign Affairs Commission of parliament, left for an official visit to Spain at the invitation of the Federal Executive Committee of the Spanish Socialist Workers' Party and the president of the senate. He is accompanied by Attila Gecse, deputy head of the Foreign Affairs Department at the HSWP CC. Present at their departure was Javier Rubio, ambassador of Spain to Hungary.

Arrives in Madrid

LD0307192188 Budapest MTI in English
1659 GMT 3 Jul 88

[Text] Madrid, July 3 (MTI)—Matyas Szuros, secretary of the HSWP CC and president of the Foreign Affairs Commission of parliament, arrived on an official visit in Madrid on Sunday evening at the invitation of the Federal Executive Committee of the Spanish Socialist Workers' Party and the president of the Senate. Matyas Szuros is to hold talks with members of the Foreign Affairs Commission of the two houses of Spanish legislation, and meet senior Spanish politicians. The sides are to discuss the development of bilateral relations, the steps aimed at deepening East-West dialogue, and other topical international affairs.

Council of Ministers Assesses Japanese Relations

LD0207103288 Budapest MTI in English
1959 GMT 1 Jul 88

[Text] Budapest, July 1 (MTI)—Rezso Banyasz, spokesman for the Hungarian Government, disclosed the following information on the Friday session of the Council of Ministers:

The Council of Ministers approved its work plan and that of the government committees and the Central People's Control Committee for the second half of 1988.

The government surveyed the state of Hungarian-Japanese inter-state relations.

The Council of Ministers modified the working order and office-hours of the council organs.

The government set up the Hungarian Institute for Public Polls, and amended some regulations of social security.

In the subsequent press conference, Rezso Banyasz said that the first meeting of the newly composed government took place in a good working atmosphere. Beside the 13 items on the agenda, the ministers exchanged views on the experience of the recent parliamentary session, and discussed some political and diplomatic events and trips scheduled for the weeks to come, for instance the meeting of Karoly Grosz, HSWP general secretary and prime minister, with Mikhail Gorbachev, CPSU general secretary, the forthcoming session of the CMEA where the Hungarian delegation will be headed by Deputy Prime Minister Jozsef Marjai, the Warsaw Treaty summit, and Karoly Grosz's visit to the United States this month.

In reply to a question, Rezso Banyasz assessed the Hungarian-Japanese relations. He said that the Council of Ministers decided to regularly survey the most important relations of the country, and set the related tasks of governmental and ministerial level. The government stated that Hungarian-Japanese relations should be developed in all the major fields of cooperation. It urged to guarantee the continuity of high-level political contacts, for which the traditional and mutual sympathy and respect, and the interest of the Japanese society and press in our economic and political reforms create favourable conditions. The government appreciated that our commercial and financial relations have expanded considerably in recent years. From among the advanced capitalist countries, the Japanese Government was the first, and is still the only one, to grant preferential tariffs for Hungarian goods. The government set the task to pay much more attention to improving the conditions of cooperation in production and involving japanese working capital.

Answering another question, the spokesman said that the government set the definite aim to keep the rate of inflation within 15 percent.

The spokesman said that the Hungarian Institute for Public Polls would be financed from the central budget, and supervised by the state minister, with the contribution of the president of the Councils Office of the Council of Ministers. The new institute is to replace the research centre for mass communication. Public opinion polls are to play a greater role in the preparation of governmental decisions and, after decision-making, the government plans to thoroughly consider citizens' opinion on the measures.

Hard Currency Account Causes 'Controversy'

LD0507133788 Budapest MTI in English
0942 GMT 5 Jul 88

[Text] Budapest, July 5, 1988 (MTI-ECONEWS)—The future of the recently opened hard currency accounts of private Hungarian citizens to cover travel expenses has created a controversy in economic and political circles.

Currently, citizens holding such accounts have approximately 3 billion forints (USD 60 million) worth of hard currency at their disposal. Until last year some 50 million dollars worth of hard currency was deposited in 188,000 accounts, and 28,993 new accounts were opened in the first quarter of the current year with a total of USD 6 million deposited.

Government sources say the recent surge was a unique opportunity for the population to deposit 'unofficially' earned hard currency legally. Only 75 per cent of these amounts deposited can be used for travel purposes, and the remaining 25 per cent is made available in forints.

Incidentally, the hard currency accounts for travel can only be opened by citizens who receive money for travelling purposes from friends or relatives living abroad.

The popularity of these accounts lies in the fact that Hungarian citizens are otherwise entitled to a hard currency travel allowance of 19,000 forints (USD 380) only every third year when they can buy hard currency in that amount from the National Bank of Hungary.

Economists say the authorities should permit the use of the money in travel accounts for purchases in the country's hard currency shops. Now only foreigners and Hungarians with a legal hard currency income are served in these shops.

Politicians argue, however, that this would irritate the underpriviledged and amount to an official declaration of the fact that many goods are unavailable in Hungary for the country's legal tender.

Nyers Views on 'Excessive Tax Burdens'

LD0207185188 Budapest MTI in English 1007 GMT 1 Jul 88

[Text] Budapest, July 1, 1988 (MTI-ECONEWS)—Taxes levied on the Hungarian economy are too high and the tax brackets for the country's citizens too steep in international comparison, this has been stated by a parliamentary select committee on taxes.

Mr Rezso Nyers, chairman of the committee and the creator of the 1968 economic reform who has returned to the HSWP Political Committee after a prolonged period of being neglected, has added that excessive tax burdens make it all the more difficult to do well in international competition.

Personal income tax was introduced on January 1, this year, prior to this, wage and salary earners had not paid any tax. On January 1, value added tax was also introduced.

The average annual earnings stand at 100,000 forints (approximately 2,000 dollars) and in this tax bracket a 30 per cent tax is levied, above this amount a between 40 and 60 per cent tax has to be paid.

Hardest hit are private entrepreneurs who have to pay an additional entrepreneurial tax as well. Fear from this tax has compelled several private retailers to give up their businesses in the early part of the year and this has caused a deterioration in the standard of services.

As compared to advanced countries, corporate taxes are also considered steep. Corporate tax is 50 per cent in Hungary, while it is only 20 per cent in the United States. There is a general view that the situation could be eased only by reducing or even stopping state subsidies to lame-duck state companies.

Official Analyzes Consumer Price Trends

AU3006064588 Budapest NEPSZABADSAG in Hungarian 23 Jun 88 p 4

[Report by Judit Kozma: "Is It Possible To Maintain a Planned Increase in Consumer Prices?—Session of National Assembly Committees"]

[Excerpt] At the 22 June session of the Commerce Committee of the National Assembly, no clear answer was provided to the main question of the year: Will we be able to maintain the planned 15 percent increase in consumer prices? In the course of the consultations, which were headed by Rezso Nyers, chairman of the committee and member of the MSZMP Politburo, State Secretary Bela Szikszay, chairman of the National Price Office, briefed the deputies on consumer price policy issues and issues concerning price levels and tendencies that have actually developed in the market. He tried to convince the committee that, generally speaking, it is possible to control prices. However, this requires considerable efforts, if only because we have almost reached the stipulated limit already.

As reflected by the written report, the long-term effects of the 1987 price changes have increased consumer prices by 5 percent. In 1988, prices have increased by 8.8 percent so far; an increase in the price of seasonal products will further increase consumer prices by 0.45 percent, and the recent increase in rents will raise them by 0.05 percent. As a result, one can consider a 13.9 percent increase in consumer prices as an accomplished fact. This means that the consumer price index will reach 114 percent, even if no further price increases occur in 1988. However, this is improbable, if only because the price of many raw materials has considerably increased on the world market. The enterprises can be justified in passing on most of this increase; in addition, one should also take into consideration the fact that, in order to offset social policy measures (a 100 forint increase in family allowances), consumer taxes on certain kinds of food, tobacco, and beverages will be increased.

Speaking about experiences in 1988, Szikszay first of all stressed that the shift to the new prices had been successfully accomplished in an orderly manner, and that they had also been successful in preventing major price increases since 1 April, the day the requirement for price increases to be announced had been eliminated. However, enterprises have not yet been able to develop pricing practices which are characteristic of the market economy. In conclusion, Szikszay expressed his conviction that it will be possible to maintain the planned price index within a 1 percent margin. [passage omitted]

Loans To Be Available for Private Ventures

LD0507123488 Budapest MTI in English 1100 GMT 5 Jul 88

[Text] Budapest, July 5, 1988 (MTI-ECONEWS)—People who have lost their jobs and intend to start a new existence as private entrepreneurs or members of private ventures, are eligible for special restart loans from the national savings bank according to a recent order of the State Office of Wages and Labour those [as received]. This programme launched in Hungary in June is similar to the British EAS [Enterprise Allowance Scheme].

Former members of cooperatives, too, can apply for restart loans after they have lost their membership owing to the reshuffle or liquidation of the cooperative and thus they become members in an another agricultural cooperative that offers to pay them less than 60,000 forints (USD 1,200) a year.

The maximum amount of the loan is 300,000 forints (USD 6,000), with an expiry of ten years. An important point is that the borrower does not have to contribute his own capital to the planned venture or produce proof of his own contribution.

Registered unemployment has risen from 11,000 to 16,000 in Hungary between January and July this year. (Its proportion to the active labour force is 0.33 per cent.) In 1985 the number of unemployed was 4,500.

But this year vacancies dropped by 13,000 to 43,000.

The number of job-seekers who fail to find a new job within three to six months has increased. Currently 1,170 people have been looking for work for more than 3 months, which is almost twice as long as the time needed last year.

The majority [of] the unemployed are unskilled workers, but 1,500 of them are white collar.

Demand for jobs exceeds supply in every branch on the labour market, but the regional distribution of vacancies does not match job-seekers. According to some estimates, unemployment may sour to as much as 100,000 when Hungary seriously starts restructuring.

MSZMP's Istvan Szabo Discusses Company Law

LD1706042988 Budapest Domestic Service in Hungarian 1630 GMT 16 Jun 88

[Interview with Istvan Szabo, member of the MSZMP Politburo, by an unidentified reporter; date and place not given; live or recorded]

[Text] Preparatory work on the company law is going on. We have interviewed Istvan Szabo, member of the Politburo and chairman of the National Council of Producers' Cooperatives, on this topic.

[Reporter] The preparatory work on the company law is proceeding, and a characteristic of these preparations is the thinking that is going on in connection with the cooperatives. In your opinion, what can the company law bring to the cooperatives?

[Szabo] I believe that neither simple economic cooperation, nor the joint enterprise, nor the joint stock company, will pass by the cooperatives. Speaking of the joint stock companies, we have been criticized for supposedly opposing the appearance of joint stock companies in Hungarian economic life. It is my firm view—and not only mine but also that of the Presidium of the National Council of Producers' Cooperatives—that the cooperatives should participate in the joint stock companies with their wealth and shares, that they cannot stay outside this flow of capital.

[Reporter] I think there are two questions here. First, will a cooperative participate as a member in a joint stock company or other new economic form, and, second, will the cooperative, as a form, transform itself into a new economic form?

[Szabo] In my view, it cannot transform itself. The reason for this is as follows: In order for a cooperative to transform itself into—let us take the highest grade—into a joint stock company, it must first abolish itself, it must expell its members. The agricultural cooperative membership—I am thinking of the elderly in particular now—ceases with death, according to the law on the cooperatives, not with the end of the actual working life. This means that the retired member must be paid; he must be provided with a household plot, and if he wants to take part in the common work even during his years as a retiree, work must be assured for him.

This is one reason. Second, the working members cannot be excluded from the cooperative, because this would entail a loss of their rights. This could not be replaced with anything inside a joint stock company, even if the ex-members of the cooperative were to take jobs in the joint stock company.

This is not the main task in this area; rather, it is that if there is money at the disposal of the cooperative, and if the joint stock company provides a better revenue, then it should invest its money there. According to my present knowledge, I cannot imagine that the members of a cooperative would vote to become a joint stock company if we were to list for them all the disasdvantages. 'But we shall see; there might be cooperatives, particularly those with many industrial activities and little land, which might become joint stock companies. I do not regard this as treason or as the failure of the cooperative movement.

Grosz Addresses Conference on East European Trade

LD2206062088 Budapest Television Service in Hungarian 1730 GMT 21 Jun 88

[Excerpt] A 2-day conference has opened in Budapest, the title of which is Let Us Trade with Eastern Europe. Karoly Grosz spoke at the opening of the conference and

stated before the more than 100 foreign experts present what we mean by socialist market management. Gabor Doemsoedy reports;

[Begin Grosz recording] The essence of our reform program is the development of a socialist market economy, oriented according to a plan. In this, the market is an institution which integrates the economy in a complete way.

Up to now, our standpoint has been that wherever the state direction according to the plan does not prove effective, that is where the market mechanisms have to be given ground. However, the reverse is true in the socialist market economy: Where the market does not prove to be a socially effective or acceptable coordinating mechanism, that is where there is a need for the assertion of nonmarket tools.

Meanwhile, however, we do not see a reason for us to interfere with our socialist values which were accepted in the past and have stood the test of time. It is precisely on the basis of these that we wish to make the functioning of our system effective, the necessary condition of which is the brave discarding of vanquished illusions. [end recording]

[Doemsoedy] After Karoly Grosz, David Mellor, British Minister of state spoke. He said that Hungary and Great Britain have contributed in an exemplary way to the development of contacts between the two world systems. As he said, the British Government supports the Hungarian endeavors to reach an agreement between our homeland and the EEC. However, he referred to the fact that there are minor difficulties. [passage omitted]

Berecz Speaks at Employment Conference

LD2506211488 Budapest MTI in English 1804 GMT 25 Jun 88

[Text] Budapest, June 25 (MTI)—Challenges and Responses—Structural Changes and Employment is the title of the international conference at Lillafured. On Saturday Minister Janos Hoos, chairman of the National Planning Office also read a paper.

He said, among others, that the administration, the planning and control organs handle the sophisticated issue of the structural changes in a complex manner including its economic and social effects, the handling of the tensions and they carefully study the methods of other countries, too. He announced that the elaboration of the guidelines of the next year's people's economy plan has been already started in which consideration will be given to the accumulated experiences and the shaping of the concept of the 8th Five Year Plan is soon to be started with a wide ranging participation of external experts and social organs.

Csaba Halmos, state secretary, chairman of the National Wage and Labour Office announced, among others, that the elaboration of the system of unemployment benefits is intensively underway. The plan will be released for social debate....

He said that in Hungary 100-200 thousand people earn their living on temporary jobs for longer time. This was not discussed until recently because they had something to do. In the future, however, with the reduction of the job numbers these people will be in a permanent existential insecurity. The present system of measures is unable to solve the problems if a further increase in the numbers of the unemployed is envisaged.

Frigyes Berecz, minister of industry, said that the government in the future would provide guidelines for the economy instead of direct intervention and the major processes of the economy will be regulated in a way which creates a predictable field of force around the companies. The establishment of the company level asset interest was named as having basic importance and improvements in the individual incentives of the workers was urged. The minister pointed out the major economic directions of the structural change as being the research and development and the establishment of the combined system of production and market sales and in the increased room for manuvering of the processing industries.

Klaus Theo Schroeder, advisor of the Economic Ministry of North Rhine-Westphalia spoke on the FRG experiences of structural change and employment policy.

Grosz Addresses Electricity Workers Meeting

AU1406091088 Budapest MAGYAR HIRLAP in Hungarian 10 Jun 88 p 7

[Correspondent's report on speech delivered by MSZMP General Secretary and Premier Karoly Grosz at a festive meeting on the 100th anniversary of public electric power at the Construction Workers Headquarters on 9 June: "Our Activity Is Followed by Unprecedented International Attention—Festive Meeting on the Centennial of Electric Energy Supply in Hungary—Karoly Grosz' Festive Speech"]

[Text] "On behalf of the MSZMP Central Committee and the Council of Ministers, I would like to express my sincere congratulations and respectful appreciation on the occasion of the 100th anniversary of public electric power in Hungary," Karoly Grosz said in his introduction. "I greet the 43,700 workers, including manual and white-collar workers, and the leaders who hold the many various positions of this industrial sector.

"We are celebrating the centennial of an industrial sector which has been a determining factor in the general development of human civilization, technological and

scientific development, and social and economic development; at the same time, this industrial sector is connected with thousands of ties to all the areas of life.

"The centennial is taking place at a time when both our country and our people have come to a decisive crossroad, and what is at stake is no less important than the stakes of any other crossroad in our rich history full of ups and downs. This historical responsibility has permeated our recent party conference. We searched for an answer on what to do so that the Hungarian nation—as it approaches the turn of the century—can hold its ground with dignity in the big competition of nations, as well as preserve and increase its values and thus also contribute to universal human progress."

Let Us Make the Outstanding Performance of Our Predecessors Public Property [subhead]

"On the basis of the preparations for the party conference, preparations that were particularly rich in experiences, and on the basis of the creative atmosphere of and clearly positive reaction to the party conference in society, we can justifiably state that, not only the party members, but also the overwhelming majority of the Hungarian people took a positive stand on socialism. They want to live and create, and regard the socialist framework as the guarantee of their future.

"The Hungarian people see a more efficient and modern functioning of the socialist system as the main guarantee for its survival and development. The cause of socialism in Hungary is the affair of 10 million people. It is our obligation to make use of this confidence."

Karoly Grosz then pointed out the following: "We should learn from the experiences of our socialist construction and we should make the sacrifices and outstanding performances of our predecessors public property. The centennial of the electric power industry is a good opportunity for this. It is reasonable and important to also include in our socialist system of values the scientists and technological intelligentsia who created lasting values in the last century, values that are long-lasting not only by domestic standards.

"Anyos Jedlik, Miksa Deri, Otto Blathy, Karoly Zipernowszky, Kalman Kando, and Imre Brody deserve our great respect, respect due to our great predecessors. The same is due to the outstanding technological staff of engineers, technicians, and skilled workers who lived at the time of the abovementioned great personalities and also collaborated with them to some extent; these people have undying merits for putting the economically backward Hungary in the international forefront in electric engineering and in succeeding in carrying this position over into the period following the liberation."

The speaker then mentioned the fact that World War II destroyed close to 40 percent of the Hungarian national wealth. Great losses were also incurred to the electric power stations, electrotechnical plants, and the entire network.

"The liberation led to the development of favorable social and political conditions. As the will of the entire people, the people's democratic development has led to the victory of socialism.

"Electrification was an organic part and one of the important driving forces of socialist construction. An entire range of power stations was established. The electrification of villages in Hungary ended by 1963. Huge long-distance transmission lines were built. Our electric power network connected with the network of the socialist countries, primarily with that of the Soviet Union. Only in this way were we able to fulfill the increasing demand for electric power by the people's economy. This united electric power system has always been a positive example of a modern and mutually advantageous cooperation."

We Must Adjust to World Economic Changes [subhead]

Karoly Grosz then spoke about the fact that increased participation in the international division of labor is a real demand of our age and a fundamental national interest. In a world full of mutual interdependence and limitations, this means for the small economies that they must adjust to the world economic changes. The future of the country depends on whether we succeed in halting the process of lagging behind the international standard. The task ahead is to comprehensively develop our competition and export capacities because this is the main standard by which the Hungarian economy is evaluated.

"The MSZMP national conference confirmed the fact—which had already been formulated in the Central Committee decision of July 1987—that the fundamental goal of social and economic development is to renew public and economic life by giving new impetus to socialist construction, to create the resources necessary for economic development, and to exceed the current medium-developed economic level. All these, however, also required the introduction of a stabilization phase.

"The party conference pointed out that 'the major task facing the economy is to implement the development program adopted at the Central Committee meeting of 2 July 1987 and the stabilization work program of the Council of Ministers.'

"In view of all these, the tasks facing the electric power industry have also become more urgent. The trends that emerged in the highest echelons of world economy made energy saving one of the main standards of economic development. In this respect, it is worth taking into consideration that the energy requirements of the production of developed industrial countries amounts to

only half or two thirds of the energy requirements of the Hungarian economy. And we import half of our overall energy supplies and close to one-third of our electricity.

"In its work program, the government agreed to pay special attention to reducing the material and energy consumption of industry. Maintaining a balance between the country's energy resources and its energy consumption will be our major goal in the future too. The consistent implementation of the energy management program, the reduction of energy-intensive production, and the reduction of energy consumption in specific areas will contribute to curbing the demand for energy.

"This is not only a short-term task but also a long-term demand for the modernization of our economy. According to the lowest predictions, the average energy consumption in the world will increase 1 percent annually in the next 2 decades. This means we can plan an annual 2.5-3 percent increase in our consumption of electricity.

"We must evaluate all the other sectors of our economy from a similar approach too," Karoly Grosz pointed out and stressed that there are still considerable reserves in the Hungarian economy and these can be mobilized relatively quickly and without considerable financial investments; these can help us normalize our economy in the period of the stabilization program."

There Are Also Reserves in Our Technological Development [subhead]

"The use of the stock of fixed assets of the Hungarian people's economy is low even compared to our past performance. There are also considerable internal manpower sources in the case of the majority of our enterprises. A lot of large manpower is engaged in useless activity. Many people carry out activities below their professional skill and qualifications. In 1984, 13 percent of the manual workers classified as skilled workers engaged in state industry did not have professional qualifications; at the same time, 16 percent of the semi-skilled workers and close to 10 percent of the unskilled workers had some kind of qualification that they did not use. We also have resources that can be mobilized in technological development.

"Nor can we boast of the fact that, in the developed capitalist countries, the number of pattern applications per 1,000 scientists and engineers in 1985 was 4 to 5 times higher than in Hungary. The further development of foreign licenses is a relatively narrow activity in our industry, but this would be the most efficient way of making use of these licenses.

"We have considerable material and stock management resources. We have a lot to do in the area of the quality of industrial products.

"It could be an important source if we withdraw the capital from durably loss-making areas that cannot be turned into efficient ones and we consistently implement the rehabilitation procedures, or, if necessary, the elimination of enterprises too. We must create more attractive and more favorable conditions to include the savings of the population into development projects.

"Revealing these resources depends, in many respects, on changing our thinking and attitude, and can also be the result of our joint activity. Only this can provide real guarantees for the accelerated political, economic, and social reform processes.

"I am convinced that we will succeed in all of these if we all collaborate. The party conference has created the necessary political conditions. Our party's readiness for renewal, a more accelerated path of modernization of our political institutions, and the society's determination, readiness for action, and increasing moral demand provide proper guarantees for our hope that the future will prove to be in line with our desire. Each and every collective and every man can take his share of the work, be it enterprise, institution, party, or state body, mass organizations, association, communist, or non-party member; everyone committed to our nation's socialist future and the fate of the Hungarian nation.

"We are not alone in solving our tasks that test our human resources and which are worthy of man. The success of our ventures is followed by an unprecedented international interest and readiness to help. To the great pleasure of us all, recent world events have shown that the most important conditions for our work—global peace—will continue. In order to prove the importance of realistic confidence during our everyday activity, let me quote Janos Kadar's words in Bonn in 1982, that is, during a grim period in East-West relations:

"It is my deep conviction that there is no other alternative for mankind and for the peoples of Europe but to continue the Helsinki process and introduce it to other areas of the world, too. It might seem now incredible, but I am convinced that all of us will return to this road, even those who today regard this critically or question this. According to the realistic human common sense, there is no alternative."

"The latest Moscow summit convincingly proved the sound foundations of this optimism. On the occasion of the centennial, I thank you for your determination, I deeply congratulate you on your achievements, and I wish each of you further success and good health! Karoly Grosz concluded his speech.

New President Bruno Straub Interviewed

On Life, Ideas

LD3006085188 Budapest MTI in English 0711 GMT 30 Jun 88

["Interview With Bruno F. Straub—'DAILY NEWS'—MTI headline]

[Text] Budapest, June 30 (MTI)—As the crow flies, there are only a couple of kilometres between the Academy's Enzymology Institute (a world of bulbs, strange gadgets and the smell of chemicals) and the monumental edifice of the Hungarian parliament.

However, for Professor Bruno F. Straub, formerly of the institute and now elected Hungary's president, the distance to his new headquarters in parliament at first seemed very great—almost unbelievable.

"How did you feel when you were approached to take this country's highest official post?"

"Well, I was somewhat embarrassed, but very pleased. It is a great honour. In my long lifetime—I am 73—I have worked in several areas and I always looked upon them as challenges. So, it is both an honour and a challenge."

"It has always been my principle as a scientist that one can do new and great things when one is young, but after the age of 50, there is not much hope of competing with young scientists. So I decided to take the opportunity to retire when possible."

"I say when possible, because the possibility arose only three years ago."

"Immediately I was elected vice president of the Academy, a member of parliament, and chairman of the parliamentary Committee for Urban Development and Environmental Protection. All of this has given me enough to do."

"With this new, surprise job, as it were, I am trying to define for myself what it means and should mean for me. Now we are talking about how to change not only the economic sector, but the political one and I think my nomination to the Presidency is a departure from the past in that a man who is not a party member, who is a scientist, closely related to culture and education, has been chosen. These issues will very much be to the forefront as preconditions of further progress. Here my experience will be of use to the decision-makers."

"Can you tell me something about yourself, not just as a scientist, but as a man?"

"I was born in 1914, went to the university in Szeged and in my first year as a medical student I came into contact with the future Nobel prize-winner Albert Szentgyorgyi. (He won it for his work on vitamin C). For fifteen years, I worked with him and took part in some of the discoveries he made. I received a Rockefeller fellowship to study in Cambridge, England, from 1937 to 1939, when I returned to Szeged."

"After using the term "challange" as little while ago [as received], would you say that those years were challenging and formative for you?"

"Very much so, and so it continued in post-World War Two Hungary. I joined the Communist Party in 1945, later on, I decided, however, that it was better if I remained in the scientific field and did not join the new party in 1957."

"Why did you join the party in 1945 and why did you not join it when the Rakosi regime was over in 1957?"

"In 1945, I joined because I was convinced that for poor Hungarians and for the nation which had suffered under a hitherto feudal system, the party was the only practical solution. You can argue both ways about it, but that was my conviction."

"Then I worked as a biochemistry professor, writing papers, textbooks etc. I was really very keen to do something in science and was reluctant to indulge in too much political activity. Moreover, I had not had very good experience under the Stalinist-Rakosi regime. However, I did not regret that socialism had been established in Hungary and tried to help in many ways as non-member."

"Were you at a disadvantage after not joining the new party in 1957?"

"Not at all. In a nutshell I had no difficulty. I am an enzymologist at heart, but I think my best known discoveries relate to the protein actin, later on, I worked on the relation of ion movements through the membrane of cells and on the enzyme synthesis in the living organism. After this, I concentrated on setting up a new institute in Szeged, which now works—with 100 scientists—on various branches of biology. The scientists travel a lot, and have good connections with the world's best labs. We also train young experts from abroad."

"You are also known on the international scene."

"I would mention my contacts with the International Atomic Energy Agency in Vienna. I was fairly active in the follow-up to the Non-Proliferation Treaty, and later on I was elected president of the International Council of Scientific Unions, which has its offices in Paris. [no closing quotation marks as received]

"You have spoken about yourself as a scientist and as a public figure. What about yourself as a man—a father and a grandfather?"

"I have four grandchildren. One of my daughters is medical doctor, an x-ray specialist working in the US, married to a British biochemist. My younger daughter is an archivist. She studied history in Budapest and works in the State Archives. She is the author of a book called '500 Years of Heraldry' for which she won a prize. So I am very proud of my two daughters."

"I am a great music fan, I did play the piano when I was young. But my real pastime is reading in various languages."

"How many languages?"

"Well in English and German, I also know enough Russian and French to get by in Moscow and Paris."

"Finally, have you any ideas of how to tackle your new, prestigious position?"

"I have not clear ideas yet [as received] except to place myself at the nation's disposal. One thing I have to remember is Peter's principle: If you move up the ladder, then you will come to a place where you cannot fulfil your promise. But I will try."

On His Appointment

LD0207180688 Budapest Domestic Service in Hungarian 0445 GMT 2 Jul 88

[Text] [Announcer] Bruno Ferenc Straub, who is in the United States on a private visit, has given his first radio interview as head of state to our correspondent in New York, Elemer Csak. It was there that he was informed that on Wednesday, the National Assembly had elected him president of the Presidential Council.

[Begin recording] [Csak] In the hotels in Boston and Woods Hole, in the research institutes where I looked for you, you were referred to as Professor Straub; that is how they knew you. It appears that a day has been too little for the people to change over. How are you, concerning this?

[Straub] Well, I am still going through a period of changing over. Indeed, when my vacation here has come to an end, I shall still have to learn many things, since people have said that it is a great honor, while in the meantime, I interpret it as a challenge, just as I interpreted it as a challenge several times during my life when I had to change over from one thing to another. Medical school, education, academic research institute, organizing and creating a research institute in Szeged, to be the president of an international scientific association or to work in Vienna at the Atomic Energy Agency, and also to chair there the concluding of international agreements. So, I have had the opportunity several times in the course of my life to change over. I believe that it makes a person younger if he does something different. I shall have to learn a lot in order to fulfill this post honestly and decently.

[Csak] What plans, what ideas do you have for the new sphere of tasks?

[Straub] I have to say that I do not yet have any. I now have to learn exactly what the obligations and the possibilities are. Because there are possibilities in it, as well, because, in principle, between two sessions of parliament, the Presidential Council has license, which can be put to use.

[Csak] What changes do you expect in your lifestyle?

[Straub] Well, first, I have arranged that I can stay in my two-room apartment, together with wife, which looks onto a courtyard, a lawn, and a rock-garden, which we look after.

[Csak] For how long have you lived in the apartment?

[Straub] For 8 years. My grandchildren were growing, and I gave to my daughter's family the villa in Buda, where I had lived until then. We are very happy at this place and we should not like to move away. At the same time, I have also asked, and it can be done, that a modest room will remain for me in the institute where I was director, and I will be able to talk with people about science, and I will be able to write and read in peace there.

Obviously, a good number of things will take up time—the various affairs. I have just started to count when the various national holidays are held, which, of course, is not so simple, since it is somewhat of an issue of protocol and diplomacy whether a person marks a national holiday.

[Csak] Diplomacy comes to mind, but let us return to the family. If I understand correctly, one of your daughters lives here in the United States. Will it not cause a problem for you to visit her as a private person?

[Straub] Well, I believe that this is problematic, but I fear rather that it causes a problem for my poor daughter in that I have been given such a function. (?Here) the people do not know what the functions of a state president are, and they do not even perceive the difference it means in Hungary that a person like me is placed in this post. Someone else could have been found—I am not the one to say—but a person other than one who is not a politician, who does not have political ambitions. It is not I who wants to decide and change Hungarian policy. I want to represent the entire people, and naturally, within this, the interests of the intelligentsia, of science.

I digress. I believe that I shall have enough things to do, but this is not a problem since I have no health problems, and as a consequence, it could be said that I work with pleasure. And if do something new, it is all the better.

[Csak] The head of state is entitled to a bodyguard. How will you return home? Will you be sent an entourage? Will you return to Hungary as a head of state?

[Straub] I do not know. Look, first, at present I am incognito here, with a private and not a diplomatic passport. Second, as long as one has not returned home and taken the proper oath, in point of fact he is still a private person, so I believe that I shall go back home in the manner I left Budapest. [end recording]

On His Election

LD0307132388 Budapest in Hungarian to Europe 1900 GMT 2 Jul 88

[Interview in New York with head of state Bruno F. Straub by correspondent Elemer Csam on Straub's election as head of state; date not given]

[Text] [Csak] In the hotels in Boston and Woods Hole, in the research institutes where I found you, you were referred to as Professor Straub. That is how they knew you. It appears a day is too short for people to change over. How do you view this?

[Straub] Well, I am still going through a period of change. Indeed, when my vacation here comes to an end, I will still have to learn many things, since people have said it is a great honor. In the meantime, I interpret it as a challenge, just like I interpreted it as a challenge several times during my life when I had to change from one thing to another.

[Csak] I believe you are the first scholar to be head of state.

[Straub] Well, in Hungary, yes. In the final analysis, there is someone before me, an acquaintance, who was president of Israel, Professor Katchalsky. He was president of Israel under the name of Katzir for an appropriate period, I do not know how many years. So such things have happened. I think the FRG president, Dr Weizsaecker, is also a scientist, one who cultivates this to a much higher level than I am qualified to do.

[Csak] Perhaps as a student of Szent-Gyoergyi, you have always been able to make science and your role in public life compatible in your life. However, things have changed, and I do not know whether you will have a way to deal with science as state president.

[Straub] Not very much. Look, it is not such a big problem. I will tell you why. As a consequence of certain bad experiences, I have recognized that one can be creative in a scientific career between the ages of 25 and 45; after that, he can be useful to science by helping the young people, partly with instruction, partly by creating conditions for their research. After a time, one is not competitive with a 30-year-old young person who has learned at the university what I learned, subsequently, with great difficulty.

[Csak] It is quite an extraordinary thing that you were here on the Atlantic coast when you were elected state president. Were you not able to coordinate the dates in some other manner, or is this conference so very important?

[Straub] First, I had already received the invitation to this conference at the end of last year, or at the beginning of this year. A scientific session was going to be held in memory of Szent-Gyoergyi here, in Woods Hole, where Szent-Gyoergyi worked, and we have just come here alongside the graveyard.

I willingly accepted it at that time, and I promised that I would come. The issue of the Presidential Council Presidency arose much later, only after I had a visa and passport—a private passport, everything. As I said, the decision was that I should just go and have a rest, and that I should return after these 2 weeks.

[Csak] In today's BOSTON GLOBE, in which there is a report about you, there is a comment to the effect that in Hungary, the post of state president is, for the most part, a ceremonial position. Nearly simultaneously with this, Mikhail Gorbachev in Moscow urged that the position of state president be given greater power. What do you say to that?

[Straub] Yes. The Gorbachev announcement surprises me a little, but I am aware that in Hungary a discussion is in progress in the periodicals and newspapers on restructuring political institutions in several directions. One is that the entire institution should be abolished, with the party Central Committee assuming the presidential function. In the other direction, at the same time, the proposal is that it should be transformed into a president of a republic, with no council involved. On the other hand, this involves some political powers and rights.

If one looks around—well, I will not discuss the U.S. presidential system or the French one—in the European countries, in general, whether it is the British queen or the Austrian president, it is largely official. But this has not yet been decided in Hungary. I think that for the next 2 years, until the next election, I will fulfill this function. After that I think I will be of an age...

[Csak interrupting] You will run in the next elections?

[Straub] [Laughing] We will see what chances I have, whether or not it is worthwhile for me to run. I am not a person who craves power. I like to perform decently what I am asked to do; this is the essence. I can retire when it

is necessary. It is not I who wants to decide and change Hungarian policy. I want to represent all the people. Naturally, this includes the interests of the intelligentsia, and within this of science.

Poszgay Interviewed on Working With Opposition

LD0207203588 Budapest Domestic Service in Hungarian 1400 GMT 2 Jul 88

[From the "168 Hours" program; interview with Minister of State Imre Poszgay by correspondent Henrik Havas; date and place not given—live or recorded]

[Text] [Havas] I have to tell you that one of my least favorable impressions regarding the last session of the National Assembly was that you were elected with, if I remember correctly, only four abstentions. I know perfectly well that I could identify the faces of the people, that there are many more who are totally opposed to your evaluation of certain political issues and who, if one may refer to personal sentiments, perhaps even hate you.

[Pozsgay] Let me correct your figures: I was elected with two votes against and three abstentions. It seems to me too that this is a smaller number than the number of those who do not agree with me or who directly oppose the political endeavor which I represent. Nevertheless, I suppose that you do assume that those who failed to raise their hands were not afraid of me but of public opinion.

Let me speak about this and say that, together with a little ambition, from this point of view I was glad of this result in the vote, just as I was glad of the reception accorded by the National Assembly to my election as minister of state. However, you are right, there can be considerations like this.

[Havas] And can we hope that a period will now begin in the history of the National Assembly when it will be possible to see quite clearly the political platform of various people? Can we expect anti-Pozsgay speeches even, in a given instance? This would be something to be welcomed; at last we would see who stands where.

[Pozsgay] Yes, I would like to see such an open political atmosphere and a National Assembly whose members engage in politics. Something like this has begun. I think that this National Assembly and then, following a new constitution, the next National Assembly will fulfill these political hopes.

I am not of a self-torturing disposition. I would not like to enter into a bad agreement, an agreement whereby Pozsgay could be openly criticized while others remain taboo. In that case we would have to adopt a conduct based on the principle that it depends on both sides and partnership would mean that I should be able to criticize those who criticize me and that I should be able to advance arguments on behalf of my own convictions, without my opponent having to be afraid of my answer. This is also a part of correct behavior. This will also be a matter of getting used to this practice and not only a question of fear.

[Havas] Public opinion believes that there are masses of people behind you. They even name social groups such as the humanistic intelligentsia, and one could go on listing them. At the same time, for a long time we understood that you had no apparat. Now you have left the Patriotic People's Front [PPF], which may have provided a hinterland for you, and you find yourself in two apparats of which you will be a member. But I do not know how far they are yours.

[Pozsgay] Look, first of all I have to say a few words about the PPF. When I became secretary general of the PPF in the summer of 1982, even I had doubts about the chances and possibilities of the PPF, and I was somewhat skeptical concerning my own political future. However, I did not sink too deeply into fretting or self-mortification but started to act. And it turned out that the PPF movement, which I myself had also approached with such doubts, has tremendous substance. One can now say without false modesty that forces came to the fore in this movement which one had not been able to count on before. And all this happened with a very small apparat; this is also a part of the truth.

I have to live under the pressure of a dual task, since besides my tasks in the government, in the Politburo, in the Central Committee, I lead an important working group, which will lead to the new program and to the 14th congress.

There is a great temptation at times such as this to lose one's self in the multitude of tasks and, to some extent, to choose the path of giving up one's own identity, to forget, within the framework of feverish activity and hard work, that a basis, a hinterland, are also possible. I would not like to lose this basis, this hinterland; I would not like to lose the esteem which, according to you, I have won in society. But I also see that these two tasks which I have undertaken are not without risks.

There is a risk in this respect as well; after all, while I would like to preserve my convictions and the means of expressing them in this post as well, I know perfectly well that on many issues I shall have to identify myself with endeavors which initially will not gain the favor of the public. I will be able to appeal only to trust and if this trust lasts for a little while, then I might have another chance to build this trust further.

[Havas] How would it be possible to gain forums for people who support your political line? How can this force be organized and presented to the public? People are looking for points of access but these simply do not exist. I am thinking first of all about people outside the

party. After all, this is a simple matter for party members, they just support your line, or, I might say the line of the Grosz government. But what about the nonmembers?

[Pozsgay] This is the biggest question, and it is a question of publicity. I cannot envision acts of legislation, even, which could be sufficiently successful without full publicity. In this openness, there will not be only events which please us, I am sure. Nevertheless, I think that it is only openness of this sort that can express the efforts of the government and of the party leadership, because if they gain support here, if they can convince thousands and hundreds of thousands here, that is much more real than lining up people by command. In any case, the time for that has passed; people think and say what they want—and let them! This is our wish. A new policy can only persuade and manifest itself in conditions of openness, because it is only then that it possesses validity.

[Havas] I have heard that you have taken over the supervision of the MTI agency and also of Hungarian radio.

[Pozsgay] If you are talking about supervision, then it is necessary to clarify the situation as regards the relationship between the party and the state. In this sphere, in publicity, the party can ask for a place for itself which it can use for persuasion, and within this, it, that is, the party, will direct the publicity at the disposal of the party and the party press. At the same time, in the spirit of the Constitution and the press law, the government will also have directing tasks. Thus, in this sphere, it is first necessary to carry out a division—not a division of tasks but tasks of political division. I do not claim that everything is already as it should be in this area, but matters are developing in this direction.

The preparation of the Constitution is a task which cannot be postponed for too long. A commission has been set up for this reason by the National Assembly, but sooner or later society must also meet the debate regarding constitutional demands. This could provide those guarantees which could lead to the creation of a new law of publicity, that is, beyond the present press law, the creation of a law regarding information and communication, where both the citizen and the executive would have guarantees, and instead of embarrasing each other, they would know who has what rights and who can do what. I think that this task must be carried out so that politicians of may kind can also move more safely.

MSZMP's Imre Pozsgay Outlines Party Tasks

AU2906134888 Budapest NEPSZABADSAG in Hungarian 23 Jun 88 p 5

[Report by "county correspondent": "Spheres of Authority Should Be Accurately Defined—Imre Pozsgay Participated in a Party Aktiv Session in Bekescsaba"]

[Text] At the conclusion of his 2-day visit to Bekes County, Imre Pozsgay, member of the MSZMP Politburo and PPF secretary general, met with the leaders of political life in the county and members of the MSZMP apparatus at an aktiv session held at the MSZMP county educational directorate on 22 June. In his introductory remarks during the more than 2-hour meeting, Pozsgay evaluated the change that occurred at the national MSZMP conference in May, and then answered questions.

The number of questions—more than 50—in itself demonstrated that the party conference did not reduce the expectations of the general public, party aktivs, and workers in the apparatus from the party and party leaders. This expectation is justified, if only because we should admit that, for the time being, change has only affected personnel—that is, in the subjective conditions of development. The characteristics of our economic life and active conduct, and the objective processes that have caused the crisis have not yet changed. The question remains the same as it was before the party conference: Will the party, which previously adopted a defensive position, really be able to take the initiative in leading the process of renewal now that the subjective conditions required for change have been established? Naturally, in order to achieve all this, the party itself should renew first of all. Among other things, this would require it to modernize its modes and forms of exercising power and reassess the role and tasks of the party apparatus. The observation was made that the triple slogan "change-reform-renewal" seems to have created uncertainty in the party apparatus because the apparatus's place in the process of reform after the change, and its role in the process of renewal, have not yet been clearly defined. In response, Pozsgay said that we should not delay this reassessment for too long.

"It will be necessary to analyze this role as soon as possible, and from the point of view of the requirements of a socialist constitutional state and from socialist pluralism. We should remember that a waiting period that stretches out too long will necessarily lead to idleness and lack of discipline among people who will ultimately have to make up the party intelligentsia, the group of people who will prepare the decisions—that is, those who will have to carry out this task.

"Thus, the main issue is not the size of this apparatus, but whether in adjusting to the new requirements, the apparatuses will be capable of functioning as the experts of the party bodies in such a way that they would, on the one hand, no longer accept state administrative functions and, on the other hand, reject the accusation that the apparatus has become dominant in the party.

"The service which has thus renewed itself, and the evolving attitude of the apparatus will also bring about a real selection of politicians, and their more frequent replacement by others—which is a healthy process. As a result of this, there will presumably be fewer disturbances in the course of the changes that will take place. The personality of politicians has gained importance;

faceless grayness is being replaced by variety, and conspicuous uniformity by the principled struggle of partners in the debate, who share the same opinions but approach the goal from many different directions. The only real and acceptable reason for a one-party system can be that the party should establish its own internal pluralism. It is essential that if the party—as it has declared—wants to lead rather than rule, it should implement this concept also in connection with its own employees. Naturally this also applies to the apparatus of the Central Committee as well as to the county or city party apparatuses.

Pozsgay said in connection with another question: "Renewing the leadership alone is insufficient for the actual implementation of the principles. The party membership and public opinion—which have accomplished a change by becoming active—should continue to ensure that conditions develop adequately and the Politburo should serve the Central Committee and not be its superior."

Pozsgay later said that the responsibility, issues, tasks, and spheres of authority should be very accurately outlined and defined. However, in the case of the party and the state we are not talking about a simple division of tasks, because a ruling party cannot undertake to pronounce itself incompetent in any area; instead, the main issues are to divide the exercise of power and organize the supervision of power.

Finally, Pozsgay answered questions concerning, among other things, changes in the role of the National Assembly, the relations between a one-party system and the opposition, and the treatment of issues concerning differences of opinion within the party. He warned that although renewal is inconceivable without modernizing the system of political institutions, this unavoidable task should not divert our attention from the further reform necessary in the economy. The two issues are inseparable and this is best demonstrated by the recent decades.

Mormon Church Officials Hold News Conference

LD2406202688 Budapest MTI in English 1855 GMT 24 Jun 88

[Text] Budapest, June 24 (MTI)—On the occasion of the official recognition and registration of the Church of Jesus Christ of Latter-Day Saints in Hungary (Mormon Church), senior representatives of the church held a press conference in Budapest on Friday.

Gedeon Kereszti, president of the Mormon Church in Hungary, recalled that, under the law on the free exercise of religion, the chairman of the State Office for Church Affairs declared the Church of Jesus Christ of Latter-Day Saints in Hungary as a legally recognized religious denomination with effect from June 1.

Russel Nelson, member of the Presidential Council of the Twelve Mormon Apostles, spoke about the activities of the Mormon Church, regarded the establishment of the Mormon Church in Hungary as an important event, and expressed his gratitude to the Hungarian Government. Russel Nelson spoke in detail about the organizational structure of the church, founded in 1830 and rallying 6.5 million believers in over 100 countries.

In reply to questions he said that the Mormon Church attributes utmost importance to a healthy way of life, and its priests receive no salary. Complying with the principle of the biblical tithe, the members or families donate 10 per cent of their annual income to the church to finance religious programmes and the construction of churches. Russel Nelson said that although the Mormon Church is generally believed to be a U.S. sect championing polygamy. [sentence as received] In reality, polygamy has been sanctioned by excommunication since 1885.

Replying to questions on the Church of Jesus Christ of Latter-Day Saints in Hungary, Gedeon Kereszti and Peter Pal Varga, president of the Budapest community, said that it is an important task for the church is to find believers. Their exact number is not yet known but is supposed to be below 100. After consolidating its organization, the Mormon Church plans to do charity work as other churches in Hungary. At present the church is not in the position to join the Council of Free Churches in Hungary as it has less than 250 registered believers. The Mormon believers hold it an important task for the denomination to become an integral part of society and take an active part in religious life.

U.S. 'Participation' Blamed in Aircraft Downing

LD0507123288 Warsaw PAP in English 1150 GMT 5 Jul 88

[Text] Warsaw, July 5—In a commentary on the shooting down of an Iranian airplane in the Gulf headlined "Not Just a Mistake" the TRYBUNA LUDU daily said today that "the tragedy is not a mistake of a single man" but "a result of the U.S. Navy's indirect participation in the Iranian-Iraqi war," and went on:

"This participation is indirect because the U.S. has not formally declared war. Officially, the intervention of the great power bears the characteristics of alleged humanism.

"If the Americans had not sent their warships to the Persian Gulf (...), the passenger plane would not have been downed. One can also say that the U.S. participation in the war aggravates the Iranian-Iraqi war itself.

"It seems that the U.S. could do much more for the liquidation of this local war, using diplomatic channels," the paper remarked.

In a commentary on the same subject the SOLNIERZ WOLNOSCI daily wrote that "the mechanism of the undeclared war got out of control of those who unleashed it, no matter whether the passengers of the Iranian plane fell victim to a tragic error or premeditated operation of American military. This tragic event also has an unequivocal bearing on the character of the American presence in that region."

"The incident may lead to escalation of unrest in the Persian Gulf and increase the number of victims on both sides of the conflict. It would be good, then, if conclusions were drawn from this tragedy by the White House and Pentagon. For the results of the conflict are only too visible a proof of its ruthlessness and a sign of its tendency to spread," the paper stated.

Sadowski Conducts Official Visit to U.S.

Meets Whitehead, Shultz

AU0507155088 Warsaw TRYBUNA LUDU in Polish 29 Jun 88 p 9

[Report by Zygmunt Broniarek: "Talks with the U.S. Secretary of State"]

[Text] Monday, 27 June, 1530 Washington time (2130 Warsaw time). The State Department building. The seventh floor, containing the offices of Assistant Secretary of State John Whitehead and Secretary of State George Shultz. I present these names in this order, contrary to protocol, because Zdzislaw Sadowski was received by John Whitehead first, and George Shultz second. This is not only in view of the fact that the most important person in an institution ought to come last, because the most important person should crown the guest's visit, as it were, but also because Whitehead has been to Poland several times and knows about our problems in detail. Whitehead visited Poland at the beginning of February 1987, a few weeks before the last sanctions against Poland were lifted on 19 February.

At 1530, a break in Deputy Premier Sadowski's talks. Z. Sadowski is accompanied by Polish ambassador Jan Kinast, Whitehead, and Shultz, to have photographs taken. We see the deputy premier and secretary of state at the entrance to the "holy of holies," the popular name given to VIP offices here. There are smiles. Shultz tells Sadowski: "Let's shake hands, because that's important, and also so that the reporters won't have to tell us to do so."

Observers here stress that it is very unusual for any high-ranking foreign representative, let alone one from a socialist country (except the Soviet Union, of course), to hold as many talks at such a high level as Deputy Premier Sadowski has on the first day of his visit.

The formula whereby all the deputy premier's talks on the subject of the current economic situation and the implementation of reforms and democratization were businesslike does not reflect the situation completely. They were not only businesslike, but also detailed.

Some of the deputy premier's interlocutors either did not know or did not want to know that the May strikes only involved a fraction of Poland's working population. Z. Sadowski presented figures, as well as facts on some of the events.

After the first day, he said: "We are doing away with prejudices and false interpretation. This is clearing the way for what we want, relations that are, quite simply, normal"

On Tuesday, at the World Bank building in Washington, there was a seminar on the Polish economic reform, led by Z. Sadowski and attended by W. Thalwiz, World Bank vice president for Europe, the Middle East, and South Africa; and Eugenio Lari, the director of the bank's first department for this same area. In the auditorium sat members of the administration, including Thomas Simons and Dan Friedmann (Department of State), plus Senator Carl Levin, Congressman Dan Rostenkowski's advisor. A total of 80 people took part in this seminar.

"It seems that some circles of international society are still thinking in different categories," said Z. Sadowski. "Poland really is undergoing profound transformations."

There were questions about society's consensus on the reforms, workers' rights in general and their rights in plants established through foreign capital, the differences among Polish society, and so on.

Meets With Bush

AU0507155088 Warsaw TRYBUNA LUDU in Polish 28 Jun 88 p 6

[Report by Zygmunt Broniarek: "The Need for Political Desire"]

[Text] Deputy Premier Zbigniew Sadowski, chairman of the Planning Commission, commenced his official visit to Washington on Monday, 27 June.

At 0830 he was received by U.S. Vice President George Bush. The talk was meant to last 15 minutes, but actually lasted nearer 30. There was no interpreter. Jan Kinast, PPR ambassador in Washington, and Andrzej Dorosz, under secretary of state for finance, took part in the talk on the Polish side. Mrs Rozanne Ridgway, assistant secretary of state for Europe and Canada, took part on the American side.

Z. Sadowski conveyed greetings from Wojciech Jaruzelski. Bush recalled his visit to Poland in September 1987 and said that it had made a great impression on him. He also recalled how he used to meet with Z. Sadowski at the United Nations between 1961 and 1972, when he was U.S. permanent representative to the United Nations and Z. Sadowski was director of the UN Center for Development and Planning in New York.

Z. Sadowski gave details about the implementation of the Polish economic reform, asking for a proper understanding thereof on the part of the United States. He said that some American circles fail to appreciate the fact that Poland really is involved in a profound and authentic process of reforms, or else they interpret this process wrongly. This is illustrated by the fact that some circles are still calling for reforms in Poland, although they have been implemented for some time already, said Z. Sadowski.

On his part, Vice President Bush lent expression to his own understanding of this line of thinking, but he did say that there are "political trends" which make it difficult to propagate a real picture of the activity of the Polish authorities.

In addition, Deputy Premier Sadowski discussed Poland's difficulties in settling its financial affairs with the IMF and Paris Club. On the level of experts, the situation is not bad, he said. It is different at higher levels, because there is an absence of appropriate political desire from the United States.

Vice President Bush was very interested in the new Polish law on private economic enterprise and on foreign investments in Poland. Explaining these laws, Deputy Premier Sadowski noted that they are a kind of turning point in the implementation of economic change in Poland, adding that all these and other changes are not just a matter of tactics, but, on the contrary, signify a profound transformation of the existing system. This process is a long way from completion.

Deputy Premier Sadowski also said that the purpose of his present visit to the United States and his political and economic talks is to try and break the deadlock in Poland's relations with its American partner and creditors, the IMF and World Bank.

In turn, he added, the possibility of our country's economic stabilization depends largely on whether our creditors, especially those in the Paris Club, accept the long-term program on servicing Poland's foreign debts. Z. Sadowski argued with the view prevalent in the United States and West whereby the PPR authorities should first achieve the forementioned economic equilibrium before they can expect Western aid.

In the afternoon, the Polish guest was given a working lunch by IMF Administrative Director Michel Camdessus.

Meets U.S. Congressmen

LD3006141188 Warsaw PAP in English 1101 GMT 30 Jun 88

(By PAP Correspondent Jerzy Gorski)

[Text] Washington Jun 30—On June 29 Poland's Vice Premier Zdzislaw Sadowski met representatives of both houses of the U.S. Congress, the Senate and the House of Representatives.

The meeting was attended by both Democrats and Republicans in the U.S. Congress. The host of the meeting, chairman of the joint commission of the U.S. Congress on CSCE affairs, Steny Hoyer stressed the importance which the participants in the meeting attached to the possibility of holding talks with the Polish vice premier on both the situation in Poland and the course of the implementation of economic reform.

Speaking about the experience of the commission tackling human rights, Hoyer expressed a view that Poland ranked in the fore of states implementing the decisions of the CSCE in the field of human rights. Referring to his last visit to Poland, Hoyer stated that it was extremely useful and constructive for the members of the commission and him.

Chairman of the Foreign Affairs Commission of the House of Representatives Dante Fascel pointed out that he represented those circles of the U.S. Congress which take lively interest in Poland's situation and are well-disposed towards all efforts of Polish society and the Polish authorities aimed at improving the situation in Poland. I understand that solving economic issues is the most important matter for you, Fascel stated.

The chairman of the Foreign Affairs Commission stressed that the visit of Vice Premier Sadowski and the talks conducted by him would contribute to a better understanding of both the internal situation in Poland and the needs of Polish society and the Polish economy. Fascel expressed understanding as regards Poland's payments possibilities, determinants and limitations in servicing the foreign debt. He recalled that in the period preceding the economic crisis in Poland, the country enjoyed the opinion of a trustworthy credit-taker in international financial circles, an opinion of a country which always met its payments commitments.

Referring to the social and political determinants of the introduction of reform in Poland, Fascel expressed a view that strikes and tensions were not the right method of solving wages disputes in any economic system. Speaking about trade union conflicts and the situation of the trade union movement and its role in the economy, he pointed to the limitations which pertain to the trade union movement in the United States. In the U.S., a country with a very developed democracy, millions of state employees are faced with a full ban on strikes under the law in force, Fascel said.

Sadowski stressed that the process of transformations taking place in the economic, social and political life of Poland was very deep. This is a process which is not completed yet, one which should lead to a deep transformation of the economic system, the Polish vice premier said.

Meets Baker, Monetary Officials

LD0207112388 Warsaw PAP in English 1301 GMT 1 Jul 88

[By PAP correspondent Jerzy Gorski]

[Text] Washington, July 1—Poland's Vice-Premier Zdzislaw Sadowski, in the U.S. at the invitation of the IMF and the World Bank, held talks Thursday with Secretary of the Treasury James Baker to discuss the economic reform in Poland, the country's economic, social and political situation and issues of its foreign debt.

Baker deemed the process of changes taking place in Poland interesting.

Also on Thursday Sadowski, accompanied by Ambassador Kinast, held talks with Director of the Department for Currency and Trade Relations of the International Monetary Fund L. Whittom.

Sadowski also met with experts in international economic relations and experts in the economic, social and political affairs of the socialist countries of Eastern Europe at the headquarters of the "Brookings Institution" scientific centre. The participants in the meeting took interest in the development of the economic, social and political situation in Poland, in problems of the Polish economic reform and issues of cooperation between socialist countries within the frame of the CMEA.

At the conclusion of the talks carried out with representatives of the IMF, the World Bank and the American Government and Congress, Sadowski talked with PAP correspondent in Washington, pointing out that the visit had a very broad program.

"We attach big importance to both the talks conducted with the IMF and the World Bank as well as the talks with representatives of the administration and Congress of the United States," the vice-premier said.

Assessing the talks with the IMF and the World Bank, Sadowski stressed that the stand of these international institutions, characterized by certain scepticism as to Poland's real capabilities, is beginning to clearly evolve in the positive direction. Financial engagement and the compilation of the adjustment program were made conditional on an evaluation of the said capabilities, Sadowski said.

The vice-premier pointed out that thus far it has been maintained that the accomplishment of this goal should take place at the cost of the consumption level in Poland. The Polish authorities did not and do not want to accept this solution, arguing that the goal will be accomplished faster if Poland gains the financial engagement of the IMF and the World Bank, Sadowski continued.

He stated that at present the position of the IMF is that the fund has understood the stand of the Polish Government as concerns the protection of the living standard and the securement of a modest but constant growth of consumption, and hence the living standard. It has been possible to convince the International Monetary Fund that it is necessary to start as intensive work as possible on the adjustment program in Poland, the vice-premier said.

Poland already has ready investment projects in the field of expanding exports and developing the agri-food industry but the World Bank generally does not start crediting until it receives the IMF's go-ahead, Sadowski pointed out.

The vice-premier stressed that the World Bank will take a well-disposed stand on this matter and that one could expect that if work on the adjustment program leads to a satisfactory result, Poland will be able to gain credits.

Such development of events depends on the political stance of Poland's foreign partners. In this case, the stand of the U.S. Government is of big importance. This stand was restrained owing to the assessment of the internal situation in Poland as one of tension and instability, Sadowski stated.

One could express a view that, as a result of many meetings and talks and the presented arguments, we have accomplished certain progress in this field.

The American interlocutors, both from the U.S. Government and Congress, expressed confidence in our economic program while still expressing certain scepticism as to the rate of the implementation of democratization processes in Poland, the vice-premier concluded.

Holds News Conference

LD0207112588 Warsaw PAP in English
2123 GMT 2 Jul 88

[Text] Washington, July 1—Deputy Prime Minister Zdzislaw Sadowski told a press conference here today that economic reform, restructuring of Polish economy and democratization of life in Poland were fundamental changes of historic importance and they implied transformation of the country's economic and governing system.

Replying to questions from newsmen about the purpose of his U.S. visit, deputy Prime Minister Sadowski said he had not come here to get money, but first of all to expand the plane of mutual understanding and to establish a climate encouraging development of both Polish-American relations and the relations between Poland and the International Monetary Fund (IMF) and the World Bank.

"We stressed in our talks," said Sadowski, "That due to our difficult economic situation and huge burden resulting from servicing our foreign debt we viewed return to normal, generally applied trade and credit relations with our partners as an indispensable condition of both Poland's fulfilling her debt obligations and her further economic development."

While discussing Poland's openness to the outside and the prospects ensured for cooperation with foreign partners by Poland's great interest in attracting foreign capital, in setting up joint industrial projects and in establishing stock companies in Poland with Polish capital share.

Zdzislaw Sadowski expressed a belief that the talks he had held with top officials of the U.S. Government and Congress, International Monetary Fund and World Bank were of paramount importance to Poland as they contributed, to some extent, to elimination of misunderstandings in Western circles as to both the situation in Poland the the progress in implementation of the economic reform.

The Polish deputy prime minister pointed to positive course of the talks he had held with Boeing officials on potential lease and subsequent purchase of latest models of Boeing airliners.

Sadowski took advantage of the occasion to point to positive attitude of President Reagan's administration towards the possibility of leasing and subsequent purchasing American latest generation aircraft. The deputy prime minister expressed hope that this positive attitude of the U.S. Government would be maintained and would encourage further expansion of trade and economic relations between Poland and the U.S.

Interviewed Following Visit

LD0407223188 Warsaw Television Service in Polish
1730 GMT 2 Jul 88

[Text] After 2 weeks of meetings with the leading politicians and representatives of economic circles in the United States, Deputy Premier Zdzislaw Sadowski has returned to Warsaw:

[Begin recording] [Presenter] Mr Premier, at the end of the talks in Washington during the press conference, you said to one of the questions from the U.S. journalists that you had come there not for money but so as to create a climate favoring the development of Polish-U.S. relations and also relations with the IMF and the World Bank. Did you succeed in attaining this?

[Sadowski] Well, I think that undoubtedly, in great measure, yes, as everyone felt that the climate was significantly better than before. And indeed the degree of expressed sincerity, interest and a certain readiness for cooperation has undoubtedly very much increased. This does not mean that there will ensue after this some facts on a large scale, but there will be a few of these facts too. [end recording]

Urban on Sadowski's Trip, Szalajda's Bonn Visit

LD0507131188 Warsaw PAP in English
1237 GMT 5 Jul 88

[Text] Warsaw, July 5—Asked to comment on visits to Washington and London by Poland's Vice-Premier Zdzislaw Sadowski and Vice-Premier Zbigniew Szalajda's visit to Bonn, Government Spokesman Jerzy Urban said that "Sadowski's visit should be assessed positively in the context of the journey's aims. The visits have undoubtedly contributed to improving the climate between Poland and Great Britain and the U.S. and to dispersing false interpretations of what is going on in Poland."

After his return Sadowski said he had met with a favourable attitude of his interlocutors in those countries, Urban recalled.

During Saladjda's visit to Bonn, his meeting with Chancellor Kohl was an important element for the improvement of relations between Poland and the FRG, and the federal chancellor's intention to pay an official visit to Poland was confirmed, Urban said.

Replying to a question, Government Spokesman Jerzy Urban said that consultations are under way on a new law on associations, and the government has recommended to speed up the procedure connected with the registration of some associations.

Scientific Cooperation Talks With U.S. End

LD0207211688 Warsaw PAP in English
1926 GMT 2 Jul 88

[By PAP correspondent Jerzy Gorski]

[Text] Washington, July 2—A session of the Polish-U.S. Joint Commission for Scientific and Technological Cooperation wound up here. The Polish side was represented by a delegation of experts headed by Foreign Ministry Economic Department Director Jan Padlewski.

The Polish delegation held also meetings at the State Department Office of Science and Technology, Department of Health and Human Services, Department of Agriculture, Environmental Protection Agency, National Science Foundation and at U.S. Congress. They discussed the current situation and prospects for scientific and technological cooperation as coordinated by the afore-mentioned agencies and respective Polish ministries. Special attention was drawn to the issues related to financing mutual cooperation and to adopting bilateral agreements.

During a plenary meeting of the joint commission, terms of undertaking and financing joint scientific and research projects were adopted as a collection of principles of conduct for Polish and American scientific and research bodies when entering mutual cooperation and principles of operation of another Maria Sklodowska-Curie joint fund and methods of replenishing it.

The commission approved several draft joint research projects into agriculture. The projects will commence after money for the second Maria Sklodowska-Curie fund are obtained.

Also approved for further implementation was a list of research projects which had been started but not completed due to lacking funds, after the American side suspended implementation of the programme of joint research in 1982.

It was resolved that another session of the joint commission would take place this December.

The session of the joint commission held debates in a business-like and constructive climate. It opened way for animation of scientific and technological cooperation between Polish and American scientific and research facilities.

Head of the Polish group Jan Padlewski evaluated positively the talks during the first plenary session of the joint commission as well as the meetings and talks at U.S. governmental agencies. The American side displayed great interest in development of scientific and technological cooperation with Poland, he said.

Padlewski expressed an opinion that in spite of discouraging experience resulting from the American side's suspension of scientific and technological cooperation between the two countries after 1982, the Polish side believe that measures should be adopted towards prospective cooperation, while possibilities should be established for its unbounded development.

It was towards this end that the 1987 Polish-U.S. agreement on scientific and technological cooperation and its financing paved the way.

During the commission's session, Padlewski said, we expressed a hope that an American contribution paid to the second Maria Sklodowska-Curie Fund would be significant in its enabling us to finance a considerable part of proposals and joint research projects already put forward.

The commission approved for implementation four agricultural research projects to be financed from the second fund. Also adopted was a collection of norms and principles of designing and financing joint scientific and research projects, said Jan Padlewski.

Urban Outlines Itinerary of Gorbachev Visit

LD0507143988 Warsaw Domestic Service in Polish
1400 GMT 5 Jul 88

[Text] At today's meeting with journalists, Jerzy Urban presented an outline plan for the visit to our country by Mikhail Gorbachev.

After arriving on the morning of 11 July, he will lay flowers at the Grave of the Unknown Soldier, at the Nike Monument to the Heroes of Warsaw, and at the Mausoleum of Soviet Soldiers. Next, talks between Mikhail Gorbachev and Wojciech Jaruzelski and speeches by both leaders in the Sejm are envisaged.

On Tuesday, Mikhail Gorbachev is to visit Krakow, Bialy Dunajec, and Poronin. A rally will take place in Krakow with the participation of Wojciech Jaruzelski and Mikhail Gorbachev. A declaration will be signed on the cooperation of the youth of the two countries.

On the third day of the visit, Mikhail Gorbachev will visit Szczecin, where his meeting with workers at the Adolf Warski shipyard will take place.

On 14 July, Mikhail Gorbachev is to meet with representatives of Polish culture and science. Plenary talks also are envisaged for this day.

On 16 July, Mikhail Gorbachev will leave Poland.

Jerzy Urban said that coming to Poland was a CPSU general secretary whose policy had achieved success at the high party forum and who enjoyed the universal support of Soviet society.

Further Commentary on 19th CPSU Conference

Ciosek Views Effect on Poland

AU0607113688 Warsaw ZYCIE WARSZAWY in Polish 2-3 Jul 88 pp 1, 2

[Statement by Stanislaw Ciosek, PZPR Politburo candidate member and general secretary of the PRON National Council, under the rubric: "In My Opinion"]

[Text] I am far from inclined to ascribe to congresses or conferences the power to perform miracles or cast spells. However, I get the impression that nothing will be quite the same again after the 19th CPSU National Conference. One reason for this is that by tying our hopes to socialism, we have become more demanding and impatient.

What probably struck someone watching the conference most of all was the determination and passionate desire to institute reforms of the party and the state. Great funds of energy are concealed behind this desire. It is not an elemental and blindly destructive energy, but energy that is guided by moderation and reason, which are derived from, among other things, an analysis of the experiences of other socialist countries, including our Polish political "workshop."

The Soviet party has made the economy occupy first place in the program of restructuring as it wishes to satisfy the expectations of working people, who would like the word socialism to mean a better economic system and a higher standard of living. However, the focus of attention is, in actual fact, on the state and the system of government.

The point of departure for debate was a thesis frequently reiterated by Mikhail Gorbachev to the effect that a detailed and centralized system of planning and control covering all areas of life has kept society swaddled and has been a serious check on the initiative of people, social organizations, collectives. The leader of the CPSU stressed that every third adult Soviet citizen is involved in some kind of council, committee, or organization, but essentially he has no influence on decisions affecting social and state affairs. That is why so much was said about the need for democracy at the conference. And democracy is the driving force of the economy. Does this hold true only with regard to socialism?

All these things are obvious, and today it would seem they are banal. But what a circuitous route we had to follow before we arrived at these simple truths, at the sources of socialism, at its roots, before we arrived at our origins and man. That is why the formulation from the Communist Manifesto that Mikhail Gorbachev read sounded so fresh: The free development of every individual is a condition for the free development of all.

What are the implications of this assembly of communists, which has aroused so much emotion and is being followed by the entire world with interest and bated breath, for our Polish reality? In my opinion, it will mean, above all, that people who desire changes and are giving the reform more or less active support will now assume more confidence, conviction, and faith. It turns out that the directions of reforming the world socialist community are convergent to a great extent. Of course, the example set by the Soviet Union is always important: At one time it acted as a check on our actions, today it is speeding them up.

Nor is there a lack of will in Poland. The problem is that its main form of expression is dissatisfaction. How can we, what "magic spells" have to be used to turn this dissatisfaction into the will to act? That is a question for our politicians. We do have a program. There are the resolutions adopted at the 10th congress and the sixth and seventh Central Committee plenums and there is a concept for the second stage of the economic reform—we just need to implement them. The most important thing is that those who will implement should believe in the program and in doing so display at least as much determination as we now see in the Soviet party.

These analogies do not in any sense mean that the reforms taking place in our countries are proceeding according to precisely the same recipe. There are differences, and in some areas they are significant. I would stress one thing: In Poland and the USSR the impetus behind change is being supplied by the party. Without divesting socialism of its most important qualities — the ideals of humanism and social justice— we are striving to make our system more efficient and more effective in political and economic terms.

An event like the 19th CPSU National Conference gives us grounds for believing that, despite all odds, these difficult tasks can be accomplished.

Czyrek Discusses Conference

LD0407023088 Warsaw PAP in English 1958 GMT 3 Jul 88

[Text] Warsaw, July 3—"Four days that shook the world. I think that one could characterize the course and outcome of the 19th CPSU Conference this way," Jozef Czyrek, a PUWP CC Political Bureau member, CC secretary stated in an interview for PAP. Excerpts:

"No one who attentively followed the course of the debates at the congress palace at the Kremlin and who acquainted himself, even skin-deep, with the documents of this forum, can have no doubts that perestroyka is irreversible and that it is a real revolution in a revolution for Soviet society.

"I was greatly impressed by the stance of the delegates which created the climate of the debates. How different it was from the past when the opinion of the representative of the leadership was deemed the ultimate truth and one which was not to be discussed," the CC secretary told PAP.

"The conference manifested notably that glasnost is not a seasonal element of politics but a way of exercising power. Let us add that this is a way which goes to show the health and fortitude of the party, a condition of its normal functioning. The conference proved that acting with the curtains up does not weaken the party but quite on the contrary, strengthens its political authority, its credibility. The address of Boris Yeltsin and the discussion which evolved around him is the most spectacular example of this which shows that pluralism of views is not a show-off phrase or a propaganda gimmick. The party of Lenin's time could take pride in such a democratic handling of 'The Yeltsin case.' in such a level of political culture," Czyrek continued.

"The conference gave one a tremendous amount of rich material to ponder on, and not only to Soviet communists but also us, other communist parties in power. We will refer many a time to Mikhail Gorbachev's address, to the resolutions of the conference and the announced minutes from the debates of this forum especially as also our party is intensively preparing for its conference. This is also a sign of our times," Czyrek said.

"Take, for one, the approach to bureaucratism. One of the resolutions of the conference is completely devoted to this issue. I think that this document can be a source of inspiration also for us.

"The irreversible replacement of dogmatism with creative Marxism—something in which I firmly believe—the fundamental principle of which is 'more democracy - more socialism,' is the key, universal conclusion," the CC secretary told PAP, adding:

"It is hard not to say that the 19th CPSU Conference also gave us a lot of reasons to be satisfied. Many solutions which will be put into effect in the Soviet Union, in the CPSU itself, are convergent with the concepts adopted at the 9th PUWP Congress and developed at the 10th congress. In this sense the conference of Soviet communists, the triumph of innovative policy which Mikhail Gorbachev personifies, will contribute to a strengthening of pro-reformative mainstreams in our country and our party as well. The success of Mikhail Gorbachev—and the 19th CPSU Conference is undoubtedly one—the success of the new Soviet leadership is, therefore, also the success of all the pro-reformative forces of renewal in our country.

"This similarity, and frequently outright convergence of respective solutions, irrefutably proves that the assurances of the CPSU about attaching great weight to an analysis of the experience of fraternal parties and countries, their exchange, assurances about the right of each country to its own model of socialism, taking account of its characteristics, are not meant to produce a propaganda effect but are a fundamental principle of the policy of the CPSU and the Soviet state with regard to the remaining fraternal parties and countries, how convergent with the wishes and expectations of our nations," Czyrek pointed out.

"The visit of Mikhail Gorbachev to our country commencing in a week's time, will be an occasion to intensify this exchange of experience, to lift our cooperation in all fields onto a qualitatively higher level and above all, to tighten our fraternal friendship," concluded Jozef Czyrek.

First Day of Conference Viewed

AU0507123988 Warsaw TRYBUNA LUDU in Polish 29 Jun 88 p 1

[Commentary by Jerzy Kraszewski and Antoni Kruczkowski, TRYBUNA LUDU special reporters at the conference: "Self-government and social initiatives"]

[Text] How to enhance the process of restructuring and make it irreversible? Finding an answer to this key question facing the party of Soviet communists in all its complexity today, is the leading thought of Mikhail Gorbachev's 3 and ½ hour report. At the same time, this programmatic report is the culmination of many months of general debate on the Central Committee theses, an expansion of the concepts worked out by the 27th Congress, and a suggestion for a radical reform to the Soviet state's system.

The CPSU general secretary presented for consideration by the delegates a report on the results achieved in implementing the congress resolution, and, against this background, plans for changes aimed at democratizing the life of the country. Some of these changes sanction what is already current practice, and others are far in advance. These are radical plans, representing fundamental changes in USSR socialist construction, a final liberation from the vestiges of administration and directives and, at the same time, a barrier against possible anarchy, parochialism, and impetuosity.

Combining these two topics—assessments about the restructuring plus concepts for political and economic reforms—was not a mere formality, of course. Three years of reform, reckoning from the April plenum, or more than 2 years of reform, if one reckons from the 27th CPSU Congress, have brought a lot of positive and negative experience on the one hand, and, on the other hand, have made it clear how great the still unsolved problems are and remind one of the existence of a dialectical connection between the base and the infrastructure, between the economy and ideology, and between economic and social affairs. From this emerged

the thesis that further restructuring is impossible without a democratization of social life and without changes to the system of exercising authority.

Over the past 3 years, the new features have paved a way for themselves, overcoming the barriers caused by old habits and opposing simplified and even demagogical ideas about the party program. The political climate in the USSR is different today. Thanks to glasnost, which is not only represented in the press, which presents different and often mutually incompatible views today, but also in daily life and social and cultural activity, the word "discussion" once again means a free exchange of opinions and arguments, a meeting point of interests and convictions. Debates are going on in party organizations, workers collectives, and intelligentsia communities. Interests and convictions have encountered each other during the preconference debates, and signs of this could even be observed at recent meetings with journalists.

So much for the political climate in which the 19th CPSU Conference is taking place. The way in which burning issues have been presented in Mikhail Gorbachev's report permit one to foresee that the debates in the Kremlin's Palace of Congresses will proceed in a similar vein. In many issues, the CPSU general secretary has not dotted the "i," but has presented alternative ideas and encouraged a search for the best solutions.

If we want to describe as briefly as possible the report's assessment about the road taken since the 27th congress, then we have to say this: Clear progress, major changes for the better in production, economic policy, and in the solving of social affairs. But also—a non-use of all possibilities and mistakes. The reader will find proof of all these features in the report. Let us merely quote the following reflection: The Central Committee is proving that it is capable of being critical vis-a-vis the past, as well as the present. That is a good guarantee for avoiding mistakes.

The concepts for a radical reform to the political system require separate profound analysis. So in this commentary, written just after the report, let us just point out that Mikhail Gorbachev's proposed changes in the functioning of the political system are designed to create legal-constitutional and political conditions for a broad involvement of people in joint government and decision-making in the affairs of the state. The new concepts employ all the experiences of Soviet authority accumulated during more than 70 years of its existence and the general new phenomena which have been visible in recent years. They reject the distortions that were the result of the well-known phenomena of the thirties.

To put it briefly, the essence of the new concepts involves restoring under new historic conditions the Leninist concept of the Soviets, which forms the basis of people's rule and the development of self-government and social initiative, and provides a clear demarcation between state functions and party-administrative ones.

Rakowski Conducts Official Visit to France

Comments on Visit

LD3006220188 Warsaw Television Service in Polish 1730 GMT 30 Jun 88

[Text] Mieczyslaw Rakowski is in Paris. He has met many prominent representatives of French political life. He had a conversation with Foreign Minister Roland Dumas. There was also a meeting with Valery Giscard d'Estaing, former president and chairman of the Foreign Affairs Commission of the French Parliament.

[Begin Rakowski recording] I consider these talks very interesting because all my interlocutors showed great interest in the development of the situation in Poland, not just in the development of the political situation—although there were questions concerning that—but primarily they showed interest in the extent of the implementation of the economic reform, and then in the transformations.

At the same time, I consider it exceptionally interesting that they perceive Poland the way it is today—I emphasize the way Poland is today. This means there were no returns to the past, although it was pointed out that there had been a period—my interlocutors meant the recent years; 1981, 82, 83 and 84 are involved here—a period which was difficult, but that this period should be regarded as finally closed and that we should begin to improve French-Polish relations in all areas. This means in economics, politics, and in the cultural sphere.

To put it briefly, I have found a realistic attitude to our country and I regard this as the greatest success or achievement of these meetings. [end recording]

Gives Paris News Conference

PM0407135088 Paris LE MONDE in French 1 Jul 88 p 13

[Jean-Paul Pierot report: "Mieczyslaw Rakowski's Visit to Paris: Understanding in Warsaw"]

[Text] Mieczyslaw Rakowski, one of Poland's top leaders, has been in Paris for the past several days for a series of political conversations. On Friday [1 July] he is the guest of the PCF Central Committee, on which occasion he will meet with Maxime Gremetz.

Mieczyslaw Rakowski has been a member of the PZPR Politburo since December. A few weeks ago he also became deputy speaker of the Sejm (parliament.)

At a press conference at the Polish Embassy in Paris on Wednesday [29 June] Mieczyslaw Rakowski commented on the Polish situation in recent months and explained the broad outlines of his party's policy of national understanding, reaffirmed by President Jaruzelski at the latest PZPR Central Committee meeting at the beginning of June.

In recent years—marked successively by the social struggles of summer 1980; the decline of Solidarity, which quickly abandoned the trade union sphere to engage in a struggle against the government; the proclamation of martial law; and the introduction of the first elements of economic and political reform—Poland has "changed its skin," the PZPR leader said.

The economic reform—whose first stage began under the most unfavorable conditions—has yielded some notable results. Labor productivity, Rakowski said, has increased by 17 percent and Poland has paid 11 billion dollars in servicing its foreign debt.

Despite the difficulties, Poland's population has increased by 2.5 million since 1982. Some important social measures have been adopted—in particular the opportunity for women to take 3 years' leave after the birth of a child, while maintaining a job position.

Rakowski cited the gradual establishment of self-management, despite "curbs" due to the Polish economy's weak situation but also to the lack of commitment on the part of "cadres that refuse to take risks." To remedy the situation and accelerate matters the Sejm has granted the government exceptional powers in the economic field through the end of the current year.

"The coming months and years will be decisive in the extension of national understanding," Rakowski said. He cited the example of the coming general election in 1989, which should take place in accordance with new legislation that further extends the range of choice in the designation and election of candidates.

"Socialist pluralism" must be implemented and developed, the PZPR leaders stressed. In this connection he mentioned the continuous talks between his party—on which socialist building has conferred a leading role—and Poland's two other parties, the United Peasant Party and the Democratic Party. "At present nothing important is decided without a consensus having been reached among the three political groups. It would be unthinkable to adopt any agricultural measures without the United Peasant Party's agreement," Rakowski said.

The Polish official announced the early introduction of a law on associations. Every organization will have to be legally registered as long as its regulations and aims observe the constitution. Asked about the possible establishment of a Christian democratic party, Rakowski said that "the conditions are not right for the existence of such a party."

Answering a question about "trade union pluralism," the Polish leader said that "the present situation does not permit a struggle between several organizations within the same enterprise." "Time must be allowed to run its course," Rakowski said, adding that "passions have cooled in 7 years, all the protagonists having traveled a long road."

From this viewpoint, the strikes in Poland in May teach two lessons, according to Rakowski. On the one hand they showed, especially in Gdansk, with the politicization desired by Walesa's friends, that the political situation is not yet entirely "stabilized." On the other hand, he said, "we must become accustomed to strikes exploding, then ending." These conflicts reflect the difficulties in establishing the self-management and self-financing of enterprises and local collectives.

In conclusion Mieczyslaw Rakowski said that the reform being carried out in Poland is similar to the restructuring in the USSR. This joint approach is a factor that strengthens the ties between the two socialist countries.

Ends Visit

LD0207095988 Warsaw PAP in English 1715 GMT 1 Jul 88

[By PAP Correspondent Robert Bielecki]

[Text] Paris, July 1—On the last day of his visit to France on Friday Political Bureau member, PUWP CC secretary Mieczyslaw Rakowski met with general secretary of the Presidential Office, main adviser of the head of the state, Jean Louis Bianco.

The talks focused on the current state of Polish-French relations and the prospects for their further development as well as some international problems.

Also on Friday Rakowski met with Political Bureau member, secretary of the CC of the French Communist Party Maxime Gemetz to discuss cooperation between both parties.

During his nearly week-long stay here Rakowski met with representatives of France's highest authorities, leaders of all main political parties and economic activists.

Rakowski's talks with French politicians and economic activists showed the growing interest of the French side in Poland's situation and problems, and mainly in economic problems and issues related to the implementation of the economic reform. Possibilities of French-Polish cooperation in this respect were discussed in detail.

Comments Following Visit

LD0407230188 Warsaw Television Service in Polish 2120 GMT 1 Jul 88

[Text] [Presenter] Mieczyslaw Rakowski, Politburo member and secretary of the party Central Committee, has ended his visit to France. He returned to Warsaw late this evening. [(Barbara Grad)] reports:

[Begin recording] [(Grad)] After meetings with leading French politicians Roland Dumas, Valery Giscard d'Estaing, and Robert Schumann, you said that their attitude was realistic. Could you tell us how they assess transformations which are occuring in Poland, particularly our economic reform?

[Rakowski] All our interlocutors assess changes occuring in Poland; perhaps it is difficult to say positively 100 percent, but they notice progress in the implementation of the economic reform. This, in fact, interests them above all. Of course, they are also interested in political issues, but this matter is of primary interest. They show great interest. Often my interlocutors asked me in detail about the course of the economic reform, how the prices and wages were formed, what society thinks about the reform, and how it reacts to specific outcomes of the reform. To put it briefly, it is real keen interest, and what ought to be emphasized, it is a positive interest. One does not look for weaknesses in these talks, or something that would prove their existence, or strengthen someone's belief that Poland is emerging from a crisis with great difficulty, or even is at a standstill. There is no negative attitude, which I observed a few years ago, not in France. I can see great progress here, and this is what I regard as a sign of realistic thinking and a sign of realistic attitude to the transformations occuring in Poland.

Of course, questions concerning the economic reform and also political reforms were asked in close connection with restructuring in the Soviet Union. Often, or in fact, in every conversation, questions were asked about our attitude to restructuring and transformations occuring in the Soviet Union. You can guess that the reply was unequivocal and very easy—often easier than replying to questions concerning Poland—for one cannot use slogans or notions which do not say very much in such a conversation. One has to clarify, explain, and every explanation needs to be followed with another explanation.

[(Grad)] And more questions

[Rakowski] And more questions.

[Grad] I would also like to ask you about Polish-French relations. They have always been of very specific nature, but it would be difficult to describe them as exemplary in recent years. Your visit shows that some reevaluation has occured. Do you share my view?

[Rakowski] I do, but I am careful in demonstrating wild optimism because I am simply waiting for what practice will bring. Practice is the best test of declarations. This concerns not only my French interlocutors, but also ourselves. [end recording]

Olechowski Receives French Official

LD0207224488 Warsaw PAP in English
1656 GMT 2 Jul 88

[Text] Warsaw, July 2—Political consultations of foreign ministries of Poland and France were held here July 1-2 by Vice-Minister Boleslaw Kulski and political director of French Ministry of Foreign Affairs J.-F. Noiville.

The French guest was received today by Minister of Foreign Affairs Tadeusz Olechowski.

The talks focused on current issues of bilateral relations. Both sides expressed readiness to intensify relations and cooperation in all fields. In this context, premises of Tadeusz Olechowski's this year's official visit to Paris were discussed.

During the consultations, the sides exchanged views on disarmament, including the Jaruzelski Plan, CSCE process and the West-East relations.

The talks were attended by the ambassador of France to Poland, Claude Harel.

State Council Members Meet Local Leaders

LD0507081188 Warsaw PAP in English
2137 GMT 4 Jul 88

[Text] Warsaw, July 4—"There cannot and should not be any gap between pre-electoral campaigning and concrete activities after the elections. One must build and strengthen the authority of both the councils and the administration from the very first days. Only an active stance, a lively reaction to signals and social needs will allow one to fulfill the mandate of social confidence gained by the people's councils," stated Wojciech Jaruzelski at a meeting between chairmen of voivodship people's councils and voivodes and members of the Council of State held today.

This was the first discussion in this composition after the new people's councils had been set up. The discussion evolved around the intentions of people's councils in the conditions created for them through expanded powers and in the face of the tasks of the 2nd stage of economic reform.

The meeting was attended by: Zbigniew Messner, Roman Malinowski, Jan Dobraczynski, as well as leaders of other parties and coalition associations, parliamentarians and members of the government.

Zbigniew Messner delivered a speech (we are carrying an abridged version separately). Vice-President of the Council of State Kazimierz Barcikowski took the floor next.

Barcikowski's Address [subhead]

The course of the electoral campaign, the numerous needs and problems in the field which were forwarded, once again show that there is a big social demand for the high activity of people's councils. The point, however, is not to convene more meetings but to make concrete decisions and execute them firmly.

The people's councils today have greater possibilities to work than ever before. Starting January 1, next year these possibilities will increase after the introduction of the amended law on the system of people's councils. It would not, nonetheless, be right to wait until the new law takes effect. One must act immediately and at the same time prepare teams of councillors, which are significantly renewed and rejuvenated, for their work.

In the work of people's councils one should see to the continuity of the developmental concept envisaged in local socio-economic plans adopted for the years 1986-1990 and in other local programs. The point is for the councils to feel the heirs to that which was worked out in the past and to attach greater attention to the control of the execution of tasks which were outlined and frequently await to be put into effect.

We wish to very strongly accentuate the tasks of people's councils in the sphere of natural environment protection and the need to vigorously create a network of production plants of various kinds, including agricultural production as well as the adoption of electoral term programs.

Discussion [subhead]

During the discussion attention was drawn to the intentions and needs of regions. The new law on people's councils and local self-government is conducive to their implementation. The chairmen of people's councils and voivodes concordantly stressed the importance of the partnerlike cooperation between representative bodies and units of the administration, in the supreme interest of fulfilling the instrumental role towards society.

Wojciech Jaruzeslki's Address [subhead]

Summing up the discussion, Wojciech Jaruzelski stressed that an analysis of the course of elections to people's councils shows a great diversification of their results, regardless of the general state of social moods. This indicates that the local situation, local solutions to a great degree determine the social climate. It is by no coincidence that in all communes and town-communes which won the title of master of good economic management the results were higher or even much higher than the average. This gives one much to think about and should become an important signal to modify and improve the work of people's councils and the administration, the president of the Council of State pointed out.

Stressing that bad moods, the shortages troubling society bear exceptional demand for consistent activity and its concrete effects, the president of the Council of State added: "We must meet this challenge, being guided by the indications of the 7th PUWP CC Plenum and making use of the immense amount of proposals from citizens voiced during the pre-electoral campaign."

The electoral campaign has also revealed many significant shortcomings, among them numerous weaknesses and negligence in the work of the local administration and units rendering services to citizens. The working people presented them in the hope that the authorities would remove these shortcomings and above all thoroughly analyze the possibilities of their successful handling, Jaruzelski continued.

All of these matters must be tackled right away, and the reaction must be energetic in cases where outrighly bad performance of offices or service units was stated, including holding the guilty people accountable.

One should without delay start work. Time is a political category. The degree of social expectation is very high. The voters must see a clear rhythm, a continuity of work and determination confirming that the new councils are what they are owing to new acting which will be endorsed by the law taking force January 1, 1989.

Speaking about the pioneer achievements of people's councils in Poland, the president of the Council of State held that maintaining contact with the citizen is the paramount task among the many others in the current term.

In this context, Wojciech Jaruzelski pointed out that the councillors should let themselves be known to society not as anonymous, paper figures but as people deeply set in the tangle of common Polish affairs who understand the reality surrounding us and attempt to make it easier.

Wojciech Jaruzelski next recalled that people's councils are a special formula of coalition-type power holding in Poland's political system. In the last term much was done to strengthen it. At present one must draw attention to the authenticity of the functioning of voivodship conventions, adding to them so-called independent people. It is also necessary to strengthen socio-economic councils as bodies of self-government civil activities, he said.

The president of the Council of State announced that a new law on associations would be adopted and stressed that one should have an open approach to this matter, not discourage people with initiative, meet them halfway. And everywhere where it is possible to hand over to already existing social organizations some of the hitherto powers of the administration, make them the co-authors

and co-responsible for the program of action. A wait-and-see approach is harmful. I unchangingly repeat that it is better to have little problems everyday than one great problem or even a catastrophe every ten years, Jaruzelski stated.

At the end, the president of the Council of State stated that an assessment of the economic results of the first half of the year, especially the price-income situation, would become an important basis for the further action of all links of authority.

We face tough tasks. We must live up to them. There is no place to retreat. One cannot waste that which is an authentic original achievement: socialist renewal, Jaruzelski concluded.

Urban Holds News Conference 21 Jun

LD2106200788 Warsaw PAP in English
1503 GMT 21 Jun 88

[By Leszek Kubiak, Janusz Zaleski]

[Text] Warsaw, June 21—The key topics touched upon at today's press conference by Government Spokesman Jerzy Urban include: Western press reports on the 7th PUWP CC Plenum, the Sejm's voting down of Gen. Hupalowski's proposed resignation as president of the NIK Supreme Chamber of Control, a commentary on elections to people's councils, powdered milk for babies, market-priced gasoline sales, procurement prices, Honecker's visit to Poland, Urban's proposal addressed to Radio Free Europe, Poland and the Vatican on establishing relations, statement on resignation from function of government spokesman, on personnel changes in party leadership, alternative military service, situation of Polish tourists travelling to Greece, marshalling of legal regulations, wages of ministers, results of public polling on perestroyka, and Gorbachev and the USSR.

Reverberations of 7th PUWP CC Plenum [subhead]

At the outset, Urban stated in part:

"In the foreign press, the Western one inclusive, the reverberations of the 7th plenum were considerable, plentiful. The report delivered by Wojciech Jaruzelski, the closing speech by the Polish leader and the plenum resolution were commented on the whole positively, generally speaking approvingly, despite various traditional malicious remarks.

"The Western press attached the greatest importance to personnel changes in the party leadership. They were commonly commented on as the strengthening of reformative trends. The press wrote that the determination of the Polish authorities in pushing through economic and political reforms manifested itself in the nomination of firm reformists to the leadership.

"There were funny pieces as well. The Italian LA REPUBBLICA paper went all out with a headline reading "Superbanker at Party Top." Also one of the British papers, wishing to gain sympathy for Wladyslaw Baka's promotion among its generally wealthy readers, called Prof. Baka a great banker which was, after all, mocked at by the BBC radio. The fact that Wladyslaw Baka headed a state bank was presented as a class paradox, suggesting that this meant that he was personally a well-to-do person.

"Many Western papers, for instance the French LE FIGARO wrote, however, I quote: 'There is still no opening in Warsaw.' The fact that Mr. Lech Walesa was not mentioned in the documents of the plenum at all was presented as proof of this," Urban said.

"Both those papers which minimized the significance of the plenum and those which correctly appreciated its meaning, failed to notice most concrete decisions of the Central Committee, while some totally overlooked all its decisions with the exception of personal ones.

Gen. Hupalowski's Resignation Voted Down [subhead]

The government spokesman went on to say:

"Many calls came to my office from journalists asking to comment on the Sejm voting down the motion of its Presidium and the Convent of Seniors [reference to Council of Wise Men] to recall General Hupalowski from chairmanship of the Supreme Chamber of Control (NIK). In spite of Gen. Hupalowski's appeal to the Sejm to relieve him from the post the motion was voted down also in the second ballot and Gen. Hupalowski remained NIK chairman.

"I believe that the following excerpt of the resolution adopted by the PUWP CC 7th Plenum will suffice as a commentary:

"Opinions, recommendations and political approval do not reduce the responsibility of managerial authorities for proper personnel policy.

"Final personnel decisions are taken by proper bodies envisaged by law and by managerial links according to their powers. Unquote. Two days after the plenum adopted the resolution the Sejm put it to public use.

"I believe this is the first sign that the deep changes in political life announced in Wojciech Jaruzelski's report, will not remain on paper only. Of course, the leadership of every ruling party in the world does have the right to designate candidates to sensitive state posts, and Poland is not going to be an exception," Urban said.

Comment on Elections to People's Councils [subhead]

Urban had this to say about the elections:

"Although the elections took place across Poland they were local elections and one will have to analyze the diversified meaning of their outcome on the local level, in voivodships, cities and villages.

"The nationwide index of turnout is an arithmetic average of very diverse presence at polls. In Wroclaw, for example, the turnout exceeded two thirds of the electorate while in Gdansk it totalled 27.5 percent. The differences on the voivodship scale are not so big but also very considerable.

"This diversified turnout gives a nationwide average which is somewhat lower than that anticipated in the wake of public opinion polling which forecast a low turnout beforehand.

"The nationwide turnout above all reflects regional disproportions of activity and moods. Progress in democracy is generally conducive to the revealing of all diversifications. This, therefore, was not a nationwide test, this is an average of local tests. This is how we treated the elections from the very start and such is the approach to self-government elections in the whole world.

"Of course, we wished for the number of people voting to be higher because it indicates the scale of interest in taking part in decision-making. But we are treating the picture of the turnout with full ease. We were not aiming at electoral soft snap [as received] consisting in concentrating on attractive decisions and kind words before the elections. There was no electoral 'carrot'. The elections were preceded by unpopular price decisions, the sharpening of wage rigours, the 7th CC Plenum told the hard truth about the situation, about necessary rigours, difficulties, at times even sacrifice.

"The plenum which preceded the elections was not a plenum of flattery but a tough, bitter and critical one and announced difficult activities. We think that discontent before the elections is better than disenchantment after artificial attractions and plentiful pre-election promises. There were no forms of, say, indirect pressure to vote other than general encouragement," Urban said.

"These elections constituted the first attempt in Poland to introduce in general elections the duty of choosing between different candidates. They marked a stage in the development of democratic procedure. Let me stress that this was by no means the last stage. We estimate that sometimes the necessity to choose from among candidates, as conflicting with the hitherto habits, discouraged from voting many of those people who having no knowledge of the candidates to people's councils or having no definite opinion about them, found it difficult to cross out any name and by this eliminate anybody. The fact that local mass media are little developed in Poland helped to promote such attitudes.

"These elections were characteristic of a transitory period, of a period of transformations in which we live. The value of these elections will be measured only against the value and activity of the councils that they have produced. This will be the most crucial test.

"The elections, in general, proceeded peacefully, without any serious incidents. Just one of those incidents deserves to be commented upon. It has become a rule that the Church of Saint Brigida in Gdansk is a place were demonstrations disturbing peace in the streets take their beginning. It is astounding that a temple should give rise to excesses of unruly people who on election day threw stones at militiamen. Six officers were wounded but, fortunately, doctors say the injuries do not threaten their health permanently. The attack on the group of militia officers and the capturing of one of them made it necessary to use batons to free the 'prisoner'. It is hard to ignore such role of Saint Brigida's Church. The spirit of that place arouses concern and gives grounds for sharp protest.

"I was told that my picture had been drawn on one of the walls in the yard of Saint Brigida's Church. Urban's picture in a holy place like that may only mean that some satanist rites are practiced there. I also have an anti-election leaflet adorned with my caricature. It was printed by some resistance groups by the name of 'Solidarni' (In Solidarity). I have seen better caricatures and jokes in my life," said Urban.

Next, Minister Urban presented some early and unofficial data concerning turnout at elections. In Warsaw - 49.2 per cent of those eligible to vote took part in the ballot. In Krakow 46.4 per cent, in Szczecin - 37.9 per cent, in Gdansk - 27.5 per cent (the lowest record), in Wroclaw - 67.2 per cent, in lodz - 47.4 per cent, in Poznan - 52.5 per cent.

Baby Powder Milk [Subhead]

Urban said on the subject:

"Posters showing Polish babies as starving, and calling for money donations to buy milk for Polish children appeared in the streets of Paris.

"I asked the Internal Market Ministry to explain whether there were any real reasons for the French alarming signals. I received a written information from the Department of Consumer Goods Trade, signed by its Director Marcin Duszynski, which says that baby powder milk is an article generally available, that shops offer various kinds and brands of powder milk. The annual demand is estimated at 21-25 thousand tons while domestic production amounts to 32 thousand tons and significantly exceeds the demand. Polish milk is of adequate quality. Period.

"Therefore, I announced publicly, and on behalf of the government, that there was no baby milk problem in Poland and that the French paper was presenting Poland, without reason and under the false pretext, as a country hit by disaster.

"After the press conference, the Polish women journalists present at it held that I publically said things which contradicted social experience. Polish mothers have considerable difficulty in purchasing the right milk for their babies, our press writes about this a great deal, my public statement was irritating, carefree, I made a fool of myself (they held).

"I once again asked the minister of the internal market to examine the situation.

"On June 17, I received a letter signed, however, once again by Director Duszynski. He holds that the optimistic picture which I presented at the conference is true.

"The Ministry of Health, in a letter signed by Department Director Slawomir Radiukiewicz and approved by Minister Komender, on the other hand, explains that only the imported Humana brand and the Polish Bebiko and Laktovit powdered milk is good for babies. There is a demand for 20.5 thousand tons of this milk annually to satisfy the needs of all babies. The output of Bebiko and Laktovit will total only 6.3 thousand tons this year," Urban pointed out.

"Premier Zbigniew Messner has authorized me to break intra-governmental solidarity and to announce in public that the stance of the Ministry of the Internal Market on this matter, its stance towards the public opinion, is incorrect and bureaucratic. It also constitutes a manifestation of a carefree treatment of the socially important issue of the right nutrition for babies. I state this with regret," the spokesman concluded.

On Sale of Market-Priced Gasoline [subhead]

Urban next announced that gasoline would soon be sold for flexible, market prices. The price of rationed gasoline will not change, he said.

Procurement Prices [subhead]

Urban also said that the prices of officially-priced basic foodstuffs would not, despite various rumours, go up. This includes the price of sugar which the rumours mainly concern, he said, adding:

"Procurement prices for farming produce will go up by an average of 14.5 percent on July 1, with preference for milk whose procurement price will increase by about 20 percent. The procurement price for cattle for slaughter will go up by more than 14.5 percent. The new procurement prices for cattle and pigs for slaughter will be retroactive from June 16. That means that compensation will be paid out to those who sold these animals after June 16.

The increase in procurement prices for farming produce will not cause an increase in the retail prices for food this year. It will be covered from state subsidies, from the state budget, of course at the cost of some other budgetary expenses. This concerns official prices—something which I stress.

"The parity between the incomes of the agrarian and the non-agrarian population was to be increased by 7 points this year and it will increase, by even more," Urban said.

Honecker Visit to Poland [subhead]

Urban had this to say on the subject:

"Before the upcoming arrival of Erich Honecker to Poland, I have been empowered to state the following:

"Poland and the GDR have agreed that the still open issue of the delimitation of the sea areas in part of the Pomeranian Bay will be settled in the spirit of tested fraternal, good-neighbourly relations and the close alliance between both states.

"Negotiations will be held with a view to reaching an agreement as fast as possible. Both sides are convinced that the upcoming, Wroclaw meeting between Wojciech Jaruzelski and Erich Honecker will serve this."

Urban's Proposal Addressed to Radio Free Europe [subhead]

Replying to a question, Urban stated in part:

"Radio Free Europe played a shameful role after the Chernobyl catastrophe. Between May 5-14, 1986, it aired as much as 3 to 13 programs daily devoted to the accident at Chernobyl and its consequences. On some days a lumpsum of 2 hours were devoted to Chernobyl.

"The majority of these programs alarmed the Poles that their life and health were in danger. This was aimed at stirring panic and desperation moves.

"Radio Free Europe wages political battle without taking responsibility for its words and actions and without proving what they say to their listeners.

"Radio Free Europe operates as a provocative-instigating radio station. The greater part of its programs are contradictory to the spirit of our times, are hostile towards the democratic changes in Poland.

"At the present time the propaganda line of this radio station has become an anachronism, a remainder of the epoch of political struggle in free-style wrestling. We have pointed this out to the American authorities many a time.

"I am hereby announcing a proposal which I am addressing to Mr. Wierzynski, the head of Radio Free Europe in Munich. If you are not afraid of discussion about the role of Radio Free Europe against the backdrop of the situation in Poland then I declare my readiness to come to Munich. And although this is not a becoming role for a Polish state official, I declare readiness to hold a face-to-face meeting with the Polish section of Radio Free Europe. I could come to Munich very quickly. I await a reply.

"Regardless of this, a group of newsmen and associates of the Polish radio external service launched an initiative to conduct, record and air in the Polish radio a discussion, or rather let us say, a dispute about the free information flow and honesty on the example of, on the one hand, Polish-language Western radio stations, and on the other, of Polish radio. The newsmen from the Polish radio external service invite the newsmen and managers of the Polish section of Radio Free Europe to Poland for a discussion here. They envisage airing the discussion in the Polish radio. Radio Free Europe may do what it wants with the recording," Urban stated.

"In connection with this initiative I wish to state that the Polish authorities guarantee for the team from Radio Free Europe entry to Poland and free departure at any time in the course of the event or after it ends," Urban announced.

Poland and the Vatican [subhead]

Asked about progress in talks between Poland and the Vatican on establishing diplomatic relations, Urban stated that such talks were not being held at the moment. They are to take place. Archbishop Colasuonno is currently in Poland. He is to be received by the foreign minister and Minister Loranc, Urban said. Statement on Resignation [subhead]

Asked whether his resignation in favour of someone who stirs less emotions would be useful, Urban replied. "I think that it would be to the advantage of national agreement were I to cease being the government spokesman."

I think that this would be to the advantage of agreement. I am above all associated with political struggle. National agreement is moving ever more to the fore of our policy. The political struggle which we have been waging in recent years and in which I took part, has led to a change in the alignment of forces to the disadvantage of extreme forces.

"Hence, It created stronger foundations and conditions for progress in the policy of agreement. I rank among its firm, bold advocates. I have enough imagination and courage to understand the historical irreversibility of fast transformations in socialism and I welcome them with joy and hope.

"Despite such views I think that the question whether I should continue representing the authorities in public is to the point and on time. The public opinion associates my name and face with a political role which is moving to the background. Changes in policy should be rendered true by a change of this face.

"I can declare my readiness to leave my post and say that this would be useful but I cannot say: I am leaving my post and that is it. The less important reason is: I do not want to be suspected of being a coward in the face of current and future difficulties. And the more important reason: Certain special ties of political unanimity, loyalty and attachement cause [as received] that the decision about Urban's departure, which I would consider right, cannot be my decision."

Personal Changes in Party Leadership [subhead]

Asked why there are no new faces in the present team, Urban replied that Poland was in the process of big reforms. No one changes horses in the middle of the stream. This is not the moment for personal experiments. A restructuring adjusted to difficult tasks facing us was the purpose of personal changes.

Alternative Military Service [subhead]

Asked how long the alternative military service is going to be, Urban repiled that 3 years long. For students - 2 years long. Matters pertaining to alternative service will be decided by military commissions including representatives of the public.

Situation of Polish Tourists Travelling to Greece [subhead]

Asked to comment on the issue, Urban said that the problem boiled down to the amount of hard currency that Polish tourists should carry while travelling to Greece. The amount is to be defined by Greek authorities next year. This year, the Greek side has assured that Greece's customs officers will treat the issue with moderation and prudence.

Adjustment of Legal Regulations [subhead]

In reply to another question Urban stated that Polish ministers were to carry out till the end of the present year a review of legal acts they have issued. Those which will stay in force will be announced by the end of the year. The number of such legal acts will decrease significantly, Urban declared.

Ministerial Salaries [subhead]

Each of the ministers has identical salary, Urban said adding that one could hardly imagine them doing piecework.

Public Opinion Poll Results [subhead]

Asked about the results of a public opinion poll concerning the attitudes of Poles towards perestroyka, Gorbachev and the Soviet Union, Urban said:

"The public opinion polling centre asked a representation of Poland's adult population about who it regarded the most outstanding world leader in 1987. Mikhail Gorbachev won a decisive majority. He was followed by Pope John Paul II, with a considerably lower record.

"In October 1987 Poles were asked about their sympathies for world leaders and the list of possible choices included sixteen names. 76.2 per cent of Poles declared their sympathy for Gorbachev who was preceded by the pope. The index of sympathy for Gorbachev has increased since the end of 1985 by 23 per cent. Lack of sympathy for Gorbachev was declared by a mere 6.3 per cent of Poles. Last year, 47 per cent of Poles expressed a view that changes in the USSR were significant and perestroyka would be successful. One-third had no opinion on the subject, the remaining part expressed various doubts. 40 per cent of Poles expressed an opinion that Soviet perestroyka would bring benefits to Poland, 7 per cent that it would not affect Poland negatively, and 21 per cent that it would not affect developments in Poland in any way.

"Asked which of the superpowers had done more for the consolidation of world peace, 60 per cent of Poles replied: USSR. 5 per cent pointed to the U.S., and about one-third replied that the contribution of both superpowers was identical.

"In February of this year only 6.1 per cent of Poles evaluated the Polish-Soviet relations negatively. It is interesting that 61 per cent of those polled who declared that they once were members of 'Solidarnosc', now declared sympathy for the USSR, while 19.6 per cent of the former 'Solidarnosc' members declared lack of sympathy. Over 49 per cent of former 'Solidarnosc' members came out in favour of further tightening of economic relations with the USSR," Urban stated.

"Following the Moscow summit, nearly two times as much residents of Warsaw declared sympathy for Gorbachev than for Reagan though following Moscow 40 percent less Poles declared that they were ill-disposed towards the American President than in October, 1987," the spokesman said.

"Following the meeting in Moscow nearly four times as much Warsaw residents assessed that the Soviet Union did more for the cause of peace than the U.S..

"As far as the whole population of Poland polled by the OBOP, that is the public opinion research centre of the radio committee, is concerned, following the Moscow summit 45 percent of Poles assessed that the Soviet Union showed more good will to limit armaments and 40 percent said that both superpowers showed good will.

"In the past 300 years there were several times when Russia conquered Poland but a completely new kind of conquest, namely a conquest of hearts of a majority of Poles is an absolutely new phenomenon in this scale. This phenomenon is associated with perestroyka and the personality of Mikhail Gorbachev," Urban concluded.

More on Downing of Iranian Plane

AU0507172188 Bucharest AGERPRES in English 1645 GMT 5 Jul 88

["In Connection With U.S. Naval Forces' Downing of Iranian Passenger Plane—an End Should Be Put to the Aggressive Actions in the Gulf; Fearless Flight of Civil Aircrafts Should Be Ensured"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 5/7/1988—Public opinion in Romania has learned with profound indignation that the U.S. naval forces deployed in the Gulf downed a passenger plane of the Iranian Airlines company with 290 persons aboard that lost their lives.

This tragical happening during which innocent people, including women and children, died is yet another dramatic evidence of the particularly serious consequences of the steadily mounting tension in the Gulf and of the danger posed by the presence of U.S. and other states' warships in the area.

The recent particularly grave incident evinces once more the need to eliminate the cause that led to the escalating conflict in the region, the imperative of refraining from any measure and action conducive to the sharpening of the conflict and a growing danger for its extension. In the light of such major demands all the foreign military ships should be withdrawn from the Gulf without delay and an end be immediately put to such aggressive acts, to any form of armed interference and recourse to the policy of force.

Indignantly condemning the downing of the Iranian passenger plane and deeply commiserating the casualties, public opinion in Romania considers that all lessons should be drawn from the tragedy of the Iranian plane and a complete end be put to like actions apt to generate other serious events in the region, and a fearless flight be guaranteed to all civil aircrafts.

Life has strongly proved that, given the particularly complex world situation, everything should be done to give up measures of using force and threatening with it, to take constructive actions underlain by the unanimously recognized norms of the international law and by the wish to solve interstate litigious issues exclusively by peaceful means and through negotiations. That is why all states should show restraint and calm, and reason should dominate their actions, putting the foremost interests of peace, the cause of collaboration and understanding among peoples above all.

Ceausescu Sends Condolences to Iranian President

AU0507183088 Bucharest AGERPRES in English 1735 GMT 5 Jul 88

["Condolatory Telegram"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 5/7/1988—President Nicolae Ceausescu of the Socialist Republic of Romania sent a telegram to Hojjat ol-Eslam Seyyed 'Ali Khamene'i, president of the Islamic Republic of Iran, which reads:

In connection with the tragical accident produced by the U.S. naval forces' downing of a passenger plane belonging to Iran's civil airline company, a highly serious act we resolutely condemn owing to which 290 persons lost their lives, I convey you our deep regret, and most sincere condolences to the bereaved families.

Ceausescu's Independence Day Greetings to U.S.

AU0507083288 Bucharest SCINTEIA in Romanian 3 Jul 88 p 5

[Greetings telegram "To Mr Ronald Reagan, President of the United States of America" on the occasion of the United States' Independence Day]

[Text] To Mr Ronald Reagan, president of the United States of America, the White House:

On the anniversary of the independence day of the United States of America, on behalf of the Romanian people and on my own behalf, I extend to you greetings and best wishes and wishes for prosperity and peace to the American people.

Nicolae Ceausescu, president of the SR of Romania.

Ceausescu Greets Hungarian President on Election

AU0407163988 Bucharest SCINTEIA in Romanian 2 Jul 88 p 5

[Telegram by President Nicolae Ceausescu to Bruno Ferenc Straub, on his election as president of the Presidential Council of the Hungarian People's Republic]

[Text] To Bruno Ferenc Straub, president of the Presidential Council of the Hungarian People's Republic, Budapest:

On your election as president of the Presidential Council of the Hungarian People's Republic, I extend to you sincere congratulations and wishes for success in your future activity.

I express the conviction that, through joint efforts, the relations of cooperation between our countries will further develop, on the basis of principles of full equality of rights, respect for national independence and sovereignty, noninterference in domestic affairs, and mutual interest, to the benefit of both neighboring countries and peoples and for the cause of socialism, understanding, cooperation, and peace in Europe and the world.

Nicolae Ceausescu, president of the SR of Romania

Hungarian Research Budget Cuts Reported

AU2806175788 Bucharest SCINTEIA in Romanian 26 Jun 88 p 6

[Unattributed report: "Will There Be a Brain Drain From Hungary?—Article Published in the Hungarian Magazine 'MAGYAR TUDOMANY' No 5/1988"]

[Text] The increasingly difficult economic situation affects even those who work in the field of science. The sudden cut in the budget of the Hungarian Academy of Science will entail a 15-20 percent cut in the subsidies for the institutions of the Academy and for the basic research of the country. Inflation is still to be added to this, and thus brings about another 20 percent cut. Many institutions have been forced to reduce their manpower. There is another possibility: Let us help our researchers as much as we can by allowing them to work abroad with a scholarship or under contract, and even use the rotation system until things get better at home. This proposal has to be studied thoroughly and in detail.

Universities, institutes, and enterprises obviously call for our best researchers and specialists. Therefore, if we do not create appropriate conditions for the best of our specialists, this can become the source of a Hungarian brain drain, something which is not desired and can cause damage precisely in the period in which the Hungarian leaders plan to relaunch the economy. It is very important that the participants in Hungary's basic research should work abroad as much as possible and enrich their knowledge with new discoveries, methods, and ideas. But, it is also important that, when they return, they should be able to make use of the knowledge they acquired abroad. If research conditions do not improve in Hungary and if the research and researchers do not receive favorable social recognition, in the following 5 years we will be faced with a third exodus, similar to the losses we suffered after World War II and after the 1956-1957 period.

What can be done? What has to be done?

1. The government has to revise its policy of assisting sciences.

2. The Hungarian Academy of Sciences has to introduce the system of selective assistance in the field of applied research: to grant more to those who receive international recognition and to grant less to the weaker ones.

CPSU Conference Proceedings Reviewed

AU0407155288 Bucharest SCINTEIA in Romanian 2 Jul 88 p 5

[Dumitru Tinu "Dispatch From Moscow": "Discussions Focus on the Development of the Process of Social Renewal"]

[Text] In the sequence of events that have guided the evolution of the Soviet Union for 7 decades, the current CPSU All-Union Conference is appraised here as a particularly significant point in the life of Soviet Communists, working people, and peoples. The discussions of problems pertaining to the future development of socialist construction reflect the process of social renewal initiated by the party and foreshadow ways and means of action designed to confer new dimensions on this process.

From the rostrum of the conference, the speakers often emphasized that the launching of this process is a prerequisite of our times. The party was faced with the urgent task of adopting a program of profound changes in the country's socioeconomic and political life, so as to truly reflect the essence of the new system and the specific requirements of the current development stage of the Soviet society. The strategic program defined by the 27th CPSU Congress 2 years ago has laid the necessary foundation for a transition to a new and qualitatively superior stage in the development of socialist construction. To what extent do developments registered in this short period of time satisfy the people's expectations and hopes? The analysis included in the CPSU Central Committee report and in the speeches made at the conference has revealed an unavoidable truth: Progress toward the set goal implies overcoming quite a few difficulties and solving certain complicated problems that have amassed in the past. Delegations to the conference has reviewed all achievements in great detail; their speeches were characterized by realistic assessments, sharp criticism of shortcomings and deficiencies, and a constructive and creative approach to future endeavors.

There were heated debates on various measures adopted, some of them on an experimental basis, in order to introduce self-management and self-administration, by revising the role of enterprises and basic economic units as well as their relationship with the ministries; the aim of these measures is to substantially increase the initiative of working collectives. In this respect, proposals were made to ensure that the work of central institutions, including their incomes, is appraised in function of results obtained by enterprises in a given branch and of steps taken to rapidly introduce the achievements of scientific-technological progress and to increase the quality of production. The speakers also pointed out the consequences of a certain imbalance in the development of various branches of the national economy, particularly the existing situation in agriculture.

Therefore, the conference discussions focused on two main directions: on the one hand, the development and expansion of the process of improving the economic activity and, on the other hand, the democratization of the social and political life, as a vital prerequisite for implementing the potential of socialism. In this respect, the conference will adopt appropriate resolutions to lay out the future course of the CPSU activity. Taking the floor once more during debates, Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, said that "the cornerstone of democratization is

recognition of the soviets of deputies as bodies of the people's power," proceeding from the truth that the people are called upon to have the decisive word in this revolutionary process. This, the speaker said, does not amount to a weakening of the party's role, on the contrary, it means to increase its authority and role as leading political force of the entire society. In this respect, the proposal was made that the first secretaries of various levels of party bodies be also elected chairmen of the respective soviets, in order to increase the authority and efficiency of state power bodies.

Broad discussions are being generated by the theses and proposals included in the CPSU Central Committee report on improving the functions of the state and the legal system, enhancing the role of mass and public organizations, and strengthening the relations between various peoples and nationalities in the Soviet Union.

A central idea, practically emphasized by all speakers and included in all draft documents submitted to discussion, is the need to improve the party's internal life. This is a most significant aspect, because, as the CPSU Central Committee general secretary stressed, the whole nation's hopes are bound to the increase in the party's role. The measures discussed aim at democratizing the party's working style, methods, and entire activity, so that the development plans and programs defined by the 27th CPSU Congress and the current conference can be fully implemented, thus opening up new prospects for socialist construction.

Dobrescu Meets BCP's Aleksandrov

AU3006185688 Bucharest AGERPRES in English 1817 GMT 30 Jun 88

[Text] Sofia, AGERPRES, 30/6/1988—Warm messages were exchanged between RCP general secretary, Romania's President Nicolae Ceausescu and the general secretary of the CC of the Bulgarian Communist Party, president of the State Council of Bulgaria, Todor Zhivkov, during the interview between Chudomir Aleksandrov, member of the Political Bureau, secretary of the CC of the BCP, and Miu Dobrescu, member of the Executive Political Committee of the CC of the RCP, chairman of the GTUCR [General Union of Romanian Trade Unions] Central Council, who is heading a Romanian TU delegation on a visit for an exchange of experience in Bulgaria.

During the talk emphasis was placed on the good relations of friendship and collaboration on multiple planes between the parties and peoples of the two countries, on the special significance of the Romanian-Bulgarian summit dialogue for their steady growth and deepening, the contribution the trade unions make to expanding and consolidating the traditional links of friendship between the Romanian and Bulgarian peoples, in the interests of the cause of peace, socialism and progress worldwide.

FRG Economy Minister Arrives for Meeting

Received by Deputy Premier

AU3006202588 Bucharest SCINTEIA in Romanian 28 Jun 88 p 5

[Text] On Monday, 27 June, Stefan Andrei, deputy prime minister of the government received Rudolf Georg von Wartenberg, parliamentary secretary of state at the Federal Ministry of the Economy and chairman for the FRG in the Joint Government Commission for Economic, Industrial, and Technical Cooperation, which opened proceedings in Bucharest.

On this occasion, the sides discussed issues on increasing commercial exchanges and developing cooperation in production between Romania and the FRG.

Meets Ceausescu

AU2806184488 Bucharest AGERPRES in English 1800 GMT 28 Jun 88

[Text] Bucharest, AGERPRES 28/6/1988—June 28, President Nicolae Ceausescu of Romania received Rudolf Georg von Wartenberg, parliamentary secretary of state in the Federal Ministry of the Economy, chairman for his country of the Joint Government Commission on Economic, Industrial and Technical Collaboration Between Romania and West Germany, held in Bucharest.

During the interview, emphasis was placed on the relations of many-sided collaboration between Romania and West Germany, and mentioned were the existing possibilities for the further development of these links in various domains of mutual interest. In context, stress was laid on the significant role of the joint commission in identifying new ways and means meant to lead to the expansion of economic, technico-scientific collaboration and cooperation and in other sectors of activity, to the increase of the volume and diversification of trade exchanges between the two countries.

Aspects of the international political and economic life were also approached.

Attending the interview were Ioan Ungur, minister of foreign trade and international economic cooperation, and Cornel Pinzaru, minister, secretary of state in the Ministry of Foreign Trade and International Economic Cooperation, chairman for Romania in the joint commission.

Present was Helmut Matthias, ambassador of West Germany in Bucharest.

Session Ends, Protocol Signed

AU2806195588 Bucharest AGERPRES in English 1735 GMT 28 Jun 88

[Text] Bucharest AGERPRES 28/6/1988—The 15th session of the Joint Governmental Commission of Economic, Industrial and Technical Collaboration Between Romania and the Federal Republic of Germany concluded in Bucharest on Tuesday, June 28.

Analysis was made of the present stage of the economic relations between the two countries, as well as of new measures and actions meant to deepen bilateral collaboration and cooperation and on third markets in fields of common interest, to grow and diversify the mutual exchange of goods.

At the end of the proceedings the co-chairmen of the commission—Cornel Pinzaru, minister secretary of state at the Ministry of Foreign Trade and International Economic Cooperation, and Rudolf Georg von Wartenberg, parliamentary secretary of state in the Federal Ministry of Economy of the Federal Republic of Germany—signed the protocol of the session.

Giosan, Duma Meet FRG Parliamentary Delegation

AU2906184688 Bucharest AGERPRES in English 1830 GMT 29 Jun 88

[Text] Bucharest, AGERPRES, 29/6/1988—Wednesday, 29 June, the chairman of the Grand National Assembly of Romania (the parliament), Nicolae Giosan, received a delegation of the parliamentary group for the Federal Republic of Germany-Romania friendship relations led by Klaus Rose, chairman of the group, now on a visit to Romania.

The guests also had interviews with Aurel Duma, minister secretary of state at the Ministry of Foreign Affairs, and with executives of the Ministry of Foreign Trade and International Economic Cooperation.

Ceausescu Receives Departing Mexican Envoy

AU3006180388 Bucharest AGERPRES in English 1736 GMT 30 Jun 88

[Text] Bucharest, AGERPRES, 30/06/1988—Thursday, 30 June, Romania's President Nicolae Ceausescu received the ambassador of the United Mexican States to Bucharest, Hector Manjarrez, on ending his mission in Romania.

During the talk reference was made to the good ties between the two countries, with emphasis on the willingness to further develop them on various planes.

The Mexican ambassador warmly thanked President Nicolae Ceausescu for the support he was granted in fulfilling his mandate.

SCINTEIA Comments on UN Disarmament Session

AU0107184688 Bucharest AGERPRES in English 1742 GMT 1 Jul 88

["At the End of the UN Special Session on Disarmament"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 1/07/1988—The concerns manifested on a world plane at the continuous armings, the peoples' will to free themselves from the nightmare of a nuclear catastrophe have been eloquently expressed during the recent UN General Assembly special session on disarmament, writes "SCINTEIA" in a commentary which stresses that among the numerous initiatives, ideas, proposals advanced during the session standing out were the measures synthetised in the document titled "The Considerations and Proposals of Romania, of President Nicolae Ceausescu on Disarmament Questions and the Directions of Action of Countries to Solve Them." This extensive programme approaches the disarmament question in a global and comprehensive manner, dwells upon in its complexity, setting phased-out objectives, and the means to achieve them. Giving top priority to stepping up negotiations on nuclear disarmament, liquidating strategic nuclear weapons, the nuclear threat in general, the Romanian programme also stipulates a number of tangible measures to halt space militarization, concomitantly with the implementation of conventional disarmament measures, of freezing and reducing armaments, troops and military spending. Romania's outlook on the way of attaining the historic desideratum of eliminating the danger of a world war and build a world of peace and confidence has been tellingly expressed in Romania's synthetically drafted proposal that the UN call for "disarmament through facts.

The highly realistic character of the Romanian proposals, the great extent to which they meet people's fundamental requirements, the newspaper stresses, show in the fact that they are to be found, in one form or another, in the measures stipulated by numerous other states, more particularly by small and medium-sized countries, nonaligned and developing countries—which make up the great majority of the states of the world—that declared for a real disarmament process.

The Romanian daily expresses the regret that despite the persevering efforts made a number of states, a consensus failed to be reached and a final document adopted which should have set the ways and directions of action to the end of halting the arms race and passing on to disarmament. The newspaper quotes President Nicolae Ceausescu who has recently stated: The fact that the session has not ended the way it should have is due to a few countries, the U.S.A. in the first place, that opposed to the adoption of a comprehensive document on disarmament. Certainly by obstructing such an important international meeting the respective states assume a high responsibility before their own peoples as well as the whole mankind.

This is one more proof that—as Romania stressed in the aforementioned documents—the steps made towards disarmament have not altered the balance of forces, have

not removed the danger the nuclear armament poses to life on our planet, that, no matter how important, the accord on the liquidation of medium and shorter-range missiles is only a modest beginning. That is why, Romania's stands call to action and vigilance, to stepped-up efforts by states and peoples to bring about a change in the course of events, disarmament, "SCINTEIA" highlights writing in conclusion: This is a fundamental question which concerns all states, all peoples, with no exception, and that is why it cannot be solved by a few states, no matter how big. That is why, all countries, the broadest social forces should assume the responsibility and work for achieving disarmament, for ensuring peace.

SDUO Meeting Sends Message to Ceausescu

AU0207175288 Bucharest ROMANIA LIBERA in Romanian 29 Jun 88 p 4

["Telegram Addressed to Comrade Nicolae Ceausescu by the Participants in the Plenary Meeting of the Central Committee of the Socialist Democracy and Unity Organization"—on 28 June, in Bucharest]

[Text] Much Esteemed and Beloved Comrade Nicolae Ceausescu, RCP Secretary General, President of the SR of Romania, and Chairman of the Socialist Democracy and Unity Front [SDUF],

The plenary meeting of the Central Committee of the Socialist Democracy and Unity Organization [SDUO] examined in a spirit of revolutionary exactingness and responsibility the way in which SDUO members act to implement the targets for the country's socioeconomic development, in the light of theses, guidelines, and recommendations included in your speeches to the April meeting of the PEC of the RCP Central Committee and the working meeting with the aktiv and basic cadres in the fields of the organizational, ideological, political, and educational activity; these speeches have become mobilizing programs of work for our whole nation.

The plenary meeting also examined proposals on increasing the working people's remuneration and the pensions. It also examined a report on the holding of accountability general meetings and on the election of new SDUO committees.

The SDUO Central Committee totally endorsed the documents under discussion and pledged, on behalf of the organization's 4 million members, to do everything possible to implement these documents.

The participants in the discussions highly valued your decisive and vital contribution to promoting the country's comprehensive progress, strongly asserting our revolutionary workers democracy, raising the whole nation's well-being and level of civilization, and increasing Socialist Romania's prestige and role in the world.

At the same time, they expressed sentiments of profound esteem and regard for Comrade Elena Ceausescu's very important contribution to fulfilling the plans and programs for the country's socioeconomic development and placing the achievements of the human genius in the service of peace and prosperity throughout the world.

In the spirit of recommendations and tasks included in your speeches, much esteemed and beloved Comrade Nicolae Ceausescu, the SDUO Central Committee adopted a program of measures to guide the organization's future activity. According to this program, all SDUO members will intensify their activity in production, in the sphere of political and educational work, and in the bodies of our revolutionary workers democracy, by taking consistent steps to commendably implement the decisions of the 13th Congress and the National Conference of the RCP.

The plenary meeting emphasized that your appraisal, according to which SDUO is a strong force which ensures the participation of nonparty citizens in the country's entire political life, is an ardent incentive for all members to further intensify their efforts and take firm steps, under the leadership of party bodies and organizations, to fully implement plan provisions, assert communist norms of work and life, and serve the fatherland and the cause of socialism with self-denial and devotion.

The SDUO Central Committee expresses full gratitude and thanks to the party leadership and yourself personally, Comrade Nicolae Ceausescu, for proposals on increasing the working personnel's remuneration and the pensions in 1988 - 89. In answer to the constant concern shown by the party and yourself personally, Comrade Secretary General, with continuously raising the people's living standard, the SDUO members are determined to perform new deeds of work and fulfill their tasks in production and social life, in an exemplary manner.

The participants in discussions pointed out that, by consistently applying the policy of balanced and harmonious distribution of the forces of production throughout the country's territory, all areas and localities have registered a great development and an intensive process of modernization, thus ensuring equal and ever better working and living conditions for all the fatherland's citizens.

The SDUO Central Committee indignantly rejects and most resolutely condemns any interference in our country's domestic affairs as well as the attempts of

On behalf of all SDUO members, the plenary meeting strongly affirms that our country's internal problems are the competence of the RCP and of the Romanian state bodies. We are a free, independent, and sovereign country and do not allow anyone to preach to us, thus sowing dissent and playing into the hands of chauvinist and irredentist circles and of imperialist forces.

We assure you, much beloved and esteemed Comrade Nicolae Ceausescu, that the SDUO members will work to strengthen the friendship and unity of all working people in our country and will take steps, together with all the people and closely united around the party and yourself, Comrade Secretary General, to raise our beloved country, Socialist Romania, to the highest peaks of progress and civilization.

Further on Yugoslavs Killed on Iranian Plane
LD0407203388 Belgrade TANJUG in English 1610 GMT 4 Jul 88

["Innocent Victims in Gulf"—TANJUG headline; by Borislav Lalic]

[Text] Belgrade, July 4 (TANJUG)—Whether it was accidental or intentional, deliberate or thoughtless, the downing of the Iranian airliner in the Gulf is certainly the most terrible price paid on a single occasion to the absurd eight-year war whose battle fronts reach out much further than its coasts.

The horror of yesterday's tragedy of the A-300 Airbus lies not only in the fact that there were no survivors among the aircraft's 290 passengers and crew but in that the people who died were innocent and that many of them had not even known what a war was—news agencies' reports say that there were 66 children, including nine infants, among the victims.

The senseless war in the Gulf, where the strings and triggers are pulled both by the two feuding sides and by the big powers, on this occasion also took the lives of six Yugoslavs employees of the well-known Belgrade-based construction firm Ivan Milutinovic.

Their only "link" with the war and the Gulf was that they had to fly over it from their construction site in southern Iran—without ever harbouring a thought that anyone could fire at a passenger aircraft.

Someone, however, did. The airliner, hit by a missile from a U.S. cruiser while flying at an altitude of 2,300 meters, exploded and fell into the Gulf grave without a hope that anyone could have survived the catastrophe.

It became more than clear on the day when the Iran-Iraq war began to gain in dimensions and when the superpowers' warships sailed into the Gulf that there would be more and more victims and that the war and games being played around it would only provoke new tensions and cause new casualties.

However, hardly anyone had expected that the "war games" in the Gulf would cause the deaths of innocent women and children in a brutal utilization of war machinery and a savage demonstration of firepower.

The horror and absurdity of the mass death can be alleviated neither by the possibility of a "fatal mistake" being made by the Americans, by their decision perhaps being "rash," nor by the "right to defend oneself," as President Reagan has attempted to justify the act.

Behind the horrible act by the American cruiser stands an absurd and wrongful war whose entangled and bloody battlefronts have been infiltrated by the big powers, especially the United States, heightening the tension in the Gulf to enormous dimensions and causing new blood to be spilled.

If there can be anything comforting in yesterday's tragedy, it could only be the hope that the shock and protests over the deaths of 290 innocent people could influence countries and politicians to increase their efforts towards ending this absurd war.

Government on 'Irresponsible' Downing of Plane
LD0507161988 Belgrade TANJUG Domestic Service in Serbo-Croatian 1515 GMT 5 Jul 88

[Text] Belgrade, 5 Jul (TANJUG)—"The Yugoslav Government and public received with great sorrow and anger the news about the shooting down of an Iranian passenger plane in which 295 passengers lost their lives, including 6 citizens of the SFRY" a representative of the Federal Secretariat for Foreign Affairs stated today.

It is noted in the statement that the SFRY Embassy in Tehran, in cooperation with the managers of the building site of the PIM work organization in Bandar-e 'Abbas "is in permanent contact with the appropriate responsible Iranian organs, in order to find and identify the Yugoslav citizens who died in this great tragedy." The statement adds that the Federal Secretariat for Foreign Affairs will "continue to undertake the necessary steps to protect the rights and interests of the families of the citizens who have died."

"This irresponsible and incomprehensible act of shooting down a passenger plane by the U.S. Naval forces in the Gulf, which also contradicts international law, again draws attention to the serious and dangerous situation in the Gulf region which can easily move out of control and which directly threatens the security not only of the Gulf countries, but also peace and stability more widely in the region. This tragic event again shows the essential need to remove as soon as possible the factors which have caused the situation in the Gulf to worsen and become strained "—stresses the statement by the representative of the Federal Secretariat for Foreign Affairs.

The statement points out that "in this respect urgent international action is necessary in order to bring about an immediate end to the Iran-Iraq war on the basis of UN Security Council Resolution 598 and to stop the building up and use of military force in this sensitive area."

At the end it is stressed that the Yugoslav Government appeals for restraint from all acts which might further worsen the dangerous situation which has been created and which might lead to unforeseeable consequences.

'Peace League' Protests Airline Downing

LD0507125088 Belgrade TANJUG in English 1202 GMT 5 Jul 88

["Pool" item]

[Text] Belgrade, July 5 (TANJUG)—The Yugoslav League for Peace, Independence and Equality Among Peoples protested energetically and expressed deep shock over the large number of victims in the tragedy of the Iranian passenger plane downed by the U.S. Navy in the Gulf.

The harsh and senseless attack on an unprotected and harmless civilian plane cannot be justified or forgiven, the protest said.

The statement said the tragic situation in the region was directly deteriorated by the act and peace and stability endangered at a wider level.

The result is both a confirmation of the senselessness and atrocities of the Iran-Iraq war and especially the unforseeable dangers of the presence and acts of foreign military forces.

The statement assessed that a decisive and comprehensive international peace effort was necessary in order to prevent similar incidents in the future.

The Yugoslav League for Peace is deeply shaken and shocked by the loss of a great number of lives, including six Yugoslavs.

It appealed [to] the warring sides and international community once again to show good will and take concrete steps to end the Iran-Iraq war and for the urgent and unconditional withdrawal of foreign military forces from the Gulf region.

Commentary on 'Fireworks' Transferred to Gulf

AU0607124388 Belgrade BORBA in Serbo-Croatian 5 Jul 88 p 1

[Slobodan Pavlovic commentary: "Missile for Holiday"]

[Text] Before every 4 July, which is officially marked and celebrated as Independence Day, fireworks and various celebrations are held all over America.

This tradition was maintained this July too, but the fireworks were transferred to another part of the world. The missiles burst in the Persian Gulf, where the celebration turned into a day on which 290 people were killed in an Iranian passenger plane brought down by a missile fired from an American cruiser.

So, the insane conflict in the Gulf has taken new, innocent lives. In this first encounter with tragedy it is not important anymore whether, when, and how the Pentagon will admit that the shooting down of a passenger plane, whose blip on the radar screen was clearly distinguishable from that of a fighter plane, cannot be only a "mistake" and "self-defense," or whether this shooting was supposed to mark the end of an extended holiday weekend in Camp David, and to lead to a meeting of the American President with his staff in Washington....

Even without this, the crisis, which they do not regard as their own anyway, immediately flamed up over the wreckage of the Iranian Airbus, and spread beyond the Straits of Hormuz. It has already reached the UN Security Council and all other international bodies and organizations which have been unable for almost a whole decade to extinguish the fire of the Gulf war which was stirred and maintained by the Iran-Iraq confrontation as much as by the outside interference of those who find their calculations, opportunities, and interests there.

Thanks to these circumstances and insanity, 290 passengers and members of the plane's crew did not on Sunday reach their destination in Dubayy. Among the victims are six Yugoslavs. The victims are the latest, and let us hope the last, warning and appeal for an end to the bloodshed in the Gulf.

This is a warning and appeal to those who started the war, to those who do not want to end it, and to those who think that they are invited to regulate and decide on it.

Shoe Factory Workers Stage Protest in Vukovar

LD0507083588 Belgrade TANJUG Domestic Service in Serbo-Croatian 0746 GMT 5 Jul 88

[Text] Vukovar, 5 Jul (TANJUG)—More than 2,000 workers at the leather shoe factory of the Borovo combine set off this morning in a column, carrying state and party flags, toward Vukovar, where they are gathering in front of the workers' club in the center of town. The workers' protest began on Saturday, 2 July, during the second shift, when workers at the shoe factory requested to be allowed to use their annual leave in July, when most people of the Borovo collective take their collective annual vacation. They also demanded the payment of bonuses for annual vacations and the whole amount of their personal income for the month of June, instead of having it paid to them in two installments, as had been announced earlier.

Early this morning the workers were informed that everyone will be allowed to take their leave in July and that the bonus will be paid to them on Wednesday, 6 July, as well as 70 percent of their personal incomes for June, while the remaining 30 percent will be paid after their return from annual leave on 2 August. After hearing this information, the workers left their factory work places in a mood of dissatisfaction. They formed long columns and walked 5 km to the center of Vukovar. During the march they shouted various slogans, requesting an increase in personal incomes and saying that they

cannot live on such earnings. They also expressed dissatisfaction with various phenomena in society. As we report this, more than 3,000 people have gathered in front of the workers' club in Vukovar, expecting talks with a municipal leader.

Workers Leave for Belgrade

LD0507213688 Belgrade TANJUG Domestic Service in Serbo-Croatian 1931 GMT 5 Jul 88

[Text] Vukovar, 5 Jul (TANJUG)—Dissatisfied with reaction to their demands for a 100 percent increase in personal incomes and regular deliveries of raw materials, a group of workers from the Borovo composite organizations of associated labor who had spent the afternoon in the center of Vukovar, decided shortly before 1900 to set off for Belgrade to inform the most responsible representatives of the Federation and the Federal Assembly about their demands. The group, made up of about 1,000 workers, left Vukovar headed by representatives of the Borovo Trade Union Conference, who spent today discussing developments in the strike.

Strike Continues

LD0607084188 Belgrade TANJUG Domestic Service in Serbo-Croatian 0644 GMT 6 Jul 88

[Text] Borovo, 6 July (TANJUG)—The strike by workers at the factories of the Borovo composite organization of associated labor is continuing today. The workers are awaiting the results of talks by their colleagues, who are in the large hall of the Trade Union Center in Belgrade, where they are holding talks with Federal representatives.

Just before 0800, several hundred workers set off for Belgrade in buses and trucks, and many are waiting on the factory premises, also expressing the view that transportation to Belgrade should be provided for them.

1,700 Workers Gather

LD0607085988 Belgrade TANJUG Domestic Service in Serbo-Croatian 0708 GMT 6 Jul 88

[Text] Belgrade, 6 July (TANJUG)—About 1,700 workers of the Borovo combine are waiting in the large hall of the trade union center for a response to their demands, above all for a 100 percent increase in their salaries.

The Borovo workers, who went on strike yesterday, arrived this morning in Belgrade at about 0300, in 26 buses. They were received at the Trade Union Center by Zvonimir Hrabar and Stojce Stojcevski, Yugoslav Trade Union Federation Council Presidium members; Vice President Spasoje Medenica, vice president of the SFRY Assembly; and others. The combine's entire trade union leadership is with the workers, they say, while there is no one from the party organization or the management.

Dissatisfied with the situation at the collective and in the municipality, the Borovo workers are above all asking for work because, as they emphasize, they know how and want to work. They are requesting the ensuring of raw material supplies for production and a 100 percent increase in personal incomes to bring their salaries up to the republican minimum wage. They are also demanding a reduction of the administration at the combine and in the country as a whole of 30 percent, and to be allowed to take all of their collective annual vacation.

The Borovo workers have resolved not to leave Belgrade without firm promises that their demands will be met, because last year, when they also went on strike, they were tricked.

While they are waiting for an answer, the workers claim that another 12 buses are on the way from Vukovar to Belgrade.

Message Presented in Belgrade

AU0607103988 Belgrade Domestic service in Serbo-Croatian 1000 GMT 6 Jul 88

[Text] The 1,700 workers of the Borovo combine who arrived in Belgrade after the strike yesterday brought with them demands for a 100 percent increase of their personal incomes, reduction of overheads, and the full use of the collective annual vacation, as well as a message by Vukovar workers. The message calls on the workers of Yugoslavia to be united and to persist on their joint road to socialism which the party and Tito have set.

They informed Zvonimir Hrabar, Stojce Stojcevski, and Spasoje Medenica of the content of the message.

LC, Slovene Sessions Must Implement Reforms

LD2606111688 Belgrade TANJUG in English 0913 GMT 26 Jun 88

[Text] Belgrade, June 26 (TANJUG)—The League of Communists of Yugoslavia (LCY) and Slovenian Republican Central Committee sessions will next week dominate the Yugoslav political scene where the situation is worsening and threatens to have serious political consequences.

The 165 members of the LCY Central Committee will at their upcoming June 29 session in Belgrade formulate the demands of last month's first party conference on urgent social reform into clear decisions for solving major problems. This is extremely difficult in the general atmosphere of exclusiveness, heated passions, and forced politicizing.

The dissatisfaction in the country is varied and increasing. The migrations of Serbs and Montenegrins from Yugoslavia's least developed province of Kosovo are continuing under pressure from the Albanian nationalists. There is growing public protest by dissatisfied workers who are not only protesting their low wages, but

are calling for radical social changes. Numerous heated conflicts over the past few months concerning changes of the economic and social system, and especially the federal Constitution and the Constitution of Yugoslavia's largest republic of Serbia which also comprises Kosovo and the northern province of Vojvodina, have not been settled.

It is particularly disturbing that extremist circles continue to stir up the negative feelings towards the Yugoslav People's Army aroused after three persons were arrested in the northwestern republic of Slovenia on suspicion of having revealed military secrets.

Heated nationalist feelings, one-sidedness, political constructions and generalizations dangerously influence the spreading of anti-Yugoslav feelings on the one hand, and anti-Slovenian feelings on the other. This, on its part, threatens to lead to nationalism, dogmatism and separatism.

The Slovenian Republican Central Committee plenum will also have to deal with the unfounded attacks on the Yugoslav People's Army and the specific Yugoslav concept of all-people's national defence. The party leadership of Slovenia, Yugoslavia's most developed republic, is strong enough to take a critical and self-critical view of the situation in the republic, to go on the offensive and turn towards true social reforms and real democratization.

In this general situation, the party leaderships must not allow their lack of engagement, nonchalant attitude or even disregard for the set policy of the League of Communists to result in continued street protests in Yugoslavia in the coming months. They must clear-headedly and effectively implement economic, political and party reforms.

Zemljaric Interviewed on Reforms

AU2506183188 Belgrade BORBA in Serbo-Croatian 22 Jun 88 p 7

[Report on interview with Janez Zemljaric, vice president of the FEC, granted to TANJUG during his visit to the TANJUG offices: "The Foundations of the Reform Already Laid"—date not given]

[Text] The effects of the measures introduced in May will quickly melt away unless we urgently introduce profound and resolute changes in the structure of our economy. Only under this condition will these measures secure an effective struggle against inflation and stabilize our economy.

This was stated by Janez Zemljaric, vice president of the FEC, during his visit to the TANJUG offices.

Commenting on the first impressions of and lessons learned from the measures introduced in May, Zemljaric said that the rise in prices should not be viewed only on the basis of initial results. A good part of the economy is seriously considering and is more cautiously approaching new price increases. It is realistic to expect that relative calm will soon return to the market.

On the basis of this assessment, Zemljaric said that it would be unjustifiable from the market point of view if the government were to make hasty moves of an administrative nature. Because of the limited demand on the domestic market and the situation in the world market, a large number of producers did not dare introduce large increases.

These are, Zemljaric added, only the first assessments. The speed of the market stabilization will depend a good deal on the realization of other prerequisites, above all, on the consistent implementation of the established policy and the adopted measures as a whole.

For instance, it would now be damaging to "support" the producers who are stockpiling in expectation of higher prices. If this kind of behavior starts spreading, we will have to wait a long time for inflation to cool down. Inflation started to increase in some sectors after the price freeze thaw, Zemljaric said.

Unresolved Problems and Criticism [subhead]

Commenting on the link between the liberalization of prices and imports, Zemljaric drew attention to the problems that are still unresolved. Some parts of the economy, particularly some branches of the base and processing industry, demand free prices but, at the same time, oppose free imports.

Some problems related to price disparity remain unresolved, the vice president of the FEC, said. Documents and conclusions have been intensively calling for their removal for as long as 5 years. However, despite this, when the federal government took specific measures at the end of last year, its move was followed by sharp criticism.

We are aware that because of the lack of data and modern methods for checking price parities we made some mistakes. However, the criticisms did not refer to this kind of mistake, but to the total redistribution without which it would have been unrealistic to expect a serious removal of disparities. It would have been unacceptable and untenable to return to the previous situation, Zemljaric said.

Warning against unfounded and sometimes even malicious claims that the federal government's measures introduced in May were forced by foreign creditors, Zemljaric reminded us that the basic program of the measures for curbing inflation was adopted as early as in November last year. This document stressed that the key prerequisites for stabilizing the economy were the rescheduling and long-term consolidation of external

debts, solving the problem of internal debts and questionable debts, and the introduction of systemic and structural changes in the economy.

The economic policy and the direction of changes contained in this program were the basis for conducting negotiations with foreign creditors. No change was made in any of their essential points, Zemljaric said. The first version of the November program for curbing inflation even contained the so-called nominal anchors [nominalna sidra], but due to some criticism, these were removed.

We are still working on the key prerequisites for overcoming the crisis. If we are behind in some fields, Zemljaric said, then this is in sorting out internal debts and the country's financial system. Internal debts and questionable debts have been estimated to be approximately the same as the amount of Yugoslavia's external debt. The major item is foreign exchange losses incurred by the National Bank of Yugoslavia, and the devaluation of the national currency has made this problem even worse.

The greatest part of foreign exchange differences stems from foreign currency savings. The problem began about 10 years ago when it was established by law that the National Bank of Yugoslavia would cover these differences, even though it was mainly the commercial banks that were using foreign exchange. We are now conducting long discussions, Zemljaric said, on how to find the real dinar sources for these purposes. The FEC proposed solutions that could permanently unravel this tangled web, but discussions on this are still not over.

Creditors' Recognition [subhead]

Unlike internal debts, the consolidation of external debts is going according to plan. International financial organizations, governments, and bank creditors have demonstrated understanding for our program and have paid respect to its quality, longevity, boldness, and economic direction.

During the past 2 and ½ months, we have succeeded in securing over $1 billion of "fresh" money, $490 million from the IMF, and the rest from noncommercial banks and the governments of creditor countries (the Paris Club). About $280 million is already in the National Bank of Yugoslavia's accounts. These funds will ensure the functioning of the foreign exchange market, the liberalization of imports, and the start of the economy's modernization. We believe that by the end of the year we will have been able to secure the entire $1.4 billion of additional loans planned by the program.

In addition to this, Zemljaric said, we will also have loans from Italy and Japan, goods credits offered by Austria and some other countries, and loans from the World Bank and the European Investment Bank for the construction of roads. All these funds could provide an important and effective impetus for our economy and for its revitalization, and this is precisely what they will be used for.

It is encouraging that the foreign exchange market has also started to operate successfully. Judging by the results achieved so far, suspicions about its ability to function were unfounded. The devaluation, accompanied by some other measures, had its effect, and work organizations and banks have started to behave according to the market, and, among other things, to more regularly bring foreign exchange into the country.

The FEC, Zemljaric said, remains firm on the implementation of the established credit-monetary policy. Of course, problems of illiquidity will occur, and challenges and threats will be issued, but if we were to give in and give up the economically established restrictive approach to this field, we would "collapse" in all other areas of our struggle to curb inflation.

There are not many examples of institutions in the noneconomic sector and in the social activities sector that have seriously reduced costs and programs, and there are not even examples of them having to wait for personal incomes to be paid, as has been the case with some organizations in the productive sector. Almost no single show, match, "meeting," symposium, roundtable talk, or trip abroad was canceled because of the shortage of money. Many are trying to secure funds for all kinds of expenses and costs at the expense of the economy.

The FEC will try its best to ensure that the economically unavoidable restrictiveness of the credit-monetary policies does not threaten the vital functions of the economy and society. Expenditures for nonproductive purposes must be reduced and the income must to a greater extent be retained in the economy.

Some events that happened in the past few months show that we have still not achieved full unity and that we have not mobilized ourselves to implement the adopted measures. The program was accepted by the entire country, but in some organizations and sociopolitical communities not enough is being done to eliminate problems, even if these are exclusively their own responsibility and duty. The established practice seems to be for solutions to problems to be sought exclusively in the SFRY Assembly and in the FEC.

For instance, when a number of organizations had to temporarily cut personal incomes, they did not simultaneously reduce the rate of contributions and taxes on gross incomes that would, at least initially, protect the net incomes.

[The following passages appear boxed within the body of the item]

Incomes [subhead]

Zemljaric rejected as arbitrary the claims that the nominal restriction on salaries mostly affected the organizations with good business results. Imposing ceilings on personal incomes was not linear, he said, and the method previously used for calculating gross personal incomes had been respected. A possibility for an increase existed. Organizations that are increasing funds for accumulation can increase personal incomes proportionately.

Restrictions on income increases apply only to the second and third quarters. As far as the last quarter is concerned, possibilities for strengthening the incentive role of personal incomes will be reexamined on the basis of business results and the implementation of other measures.

New Measures [subhead]

Speaking about the tasks of the FEC and the SFRY Assembly up to the end of this year, Zemljaric said that the starting base for the reform of the economic system, which established the main direction of changes, has been completed. The most important changes are in the fields of expanded production and ownership relations, the market and prices, the organization of associated labor, the distribution of income and surplus, the accounting system, the system of financing social activities, the monetary-credit and banking systems, and economic relations with other countries, and in planning and motivating a faster development of the economically insufficiently developed republics and Kosovo, and in the field of social policy.

The FEC has started preparing legal solutions for all more important changes so that the draft laws that concern the economic system as a whole can be submitted to the SFRY Assembly by the end of September.

It is of special importance, Zemljaric said, that the economic reform is being worked on simultaneously with changes in the SFRY constitutions. The FEC has already made several additional proposals. They are a result of discussions held thus far on changes in the economic system.

The FEC will propose new initiatives if the further work on the laws requires this. It has already been agreed to speed up constitutional changes, and the FEC, Zemljaric said, sees in this a chance for the adoption of all necessary laws by the beginning of December. In this way the economy will become familiar with conditions for conducting business activities by 1 January. If we are not successful here, we will face serious difficulties.

In addition to this, the federal government has prepared an analysis of the structure of the Yugoslav economy since 1971. The analysis of the country's development provides a critical basis for making new medium- and long-term development plans, and it was used in the preparation of the basis of reforms in the economic structure. The adoption of these documents will mean an important turnabout in many sectors of the economy as well as in the creation of new conditions for conducting business activities.

Two Million Jobs in the Small Business Sector [subhead]

Asked to say something more about the role of the small business sector within the forthcoming changes, the vice president of the FEC said that calculations and estimations have shown that as many as 2.5 million people could be employed in this sector. This could significantly alleviate the consequences of implementing reforms and contribute to more rapid employment growth. However, building a new system is one thing, but destroying the old system and ideas is another.

Despite obvious advantages, very few communities have opened the door to small businesses. The proof of this is the fact that a private businessman still needs a pile of permits to open his business. This is, of course, the result of still existing dogmatic views that the strengthening of the private sector could undermine the foundations of socialism, and a result of bureaucracy's resistance.

The problems in implementing the program will be better overcome only through great and joint efforts, Janez Zemljaric said at the end of talks with TANJUG reporters, adding that the program deserves this because it is opening up the ways and prospects for a more permanent way out of the crisis.

Belgrade Commission Views Support for Jansa

AU2706170888 Belgrade BORBA in Serbo-Croatian 23 Jun 88 p 11

[M. Urosevic report: "Petitions on Terazije as Well"]

[Text] From the first demands—the scrapping of military service and the introduction of civilian service—which began more than 2 years ago, the thesis has arisen that the Army is conservative and represents a prop for the bureaucratic-dogmatic forces in the country. This only causes even greater confusion for some young people, stressed Colonel Dr Mladen Kovacevic, city secretary for national defense at today's meeting of the Belgrade Assembly Commission for All-People's Defense and Social Self-Protection.

"Serbian nationalists give gentle support to an unprecedented campaign against and pressures on the Military Court, which is a consequence of the belief that social processes in Slovenia lead to separatism," stressed Kovacevic. The bourgeois right believes that the defense of the three prisoners should be a symbol of resistance to conservative forces and the defense of democracy in Slovenia.

"A number of Serbian nationalists think that the arrests are just provocation and they say that they have the feeling that the situation is even being intentionally

overheated. They obviously cannot "forgive" the Slovenes for their indifference in the "Martinovic case" so that even greater, more active support is lacking.

"Indeed, the writers' association refused to join the Ljubljana Council for the Protection of Human Rights, but it sent a telegram of support and solidarity to its colleagues in Slovenia. It also sent an open letter which talks about the 'excessive' authority of the security organs.

"Although the bourgeois right is more elastic, it is ready to give support to those who have been arrested, but only, they say, 'out of private human solidarity.' The Belgrade section of the Helsinki Agreement Committee also approached the Commission.

"A petition addressed to the Federal Assembly and the SFRY Presidency has also been initiated, which states that the signatories "support the protests of the Slovene democratic public" and propose that the SFRY Assembly urgently adopt a law which would expressly state that the discussions, assessments, and decisions of the responsible organs—in particular concerning the use of state repression—should be made available to the public.

"The petition was read out on 3 June at a discussion forum in the youth center and at that time there were 100 signatories. Those at the club for technical students also wanted the petition to be read out but this attempt was foiled," said Kovacevic.

Kovacevic said at the end that the bourgeois right intends to set up a special "commission for the defense of those tried by the Ljubljana military court" which would join with the already existing Committee for the Protection of Freedoms in Ljubljana. There is also the idea of engaging a large number of lawyers from Belgrade to defend the prisoners, who would disrupt the work of the Military Court with their demands.

'Hostile' Albanian Pamphlets Distributed

LD2706140588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1132 GMT 27 Jun 88

[Text] Prizren, 27Jun (TANJUG)—By distributing a pamphlet of expressively hostile content, Albanian nationalists and separatists have made their voices heard over the last few days in Prizren, as well. In this pamphlet, Serbia is called fascist, and is accused of exploiting the mineral wealth of Kosovo and terrorizing the Albanian nationality. At the end of the pamphlet a call is made to all Albanians in Kosovo to take part in an uprising and to realize the basic goal of Albanian separatists: that Kosovo become a republic.

Baskim Hisari, chairman of the Prizren LC Municipal Committee, said in connection with this that a meeting had been held of the Committee for All-People's Defense and Social Self-Protection, which concluded that the political security situation in the municipality is more serious than had been assessed hitherto. Precisely because of this, it is vital that watchfulness be stepped up at all levels and in all environments.

Kosovo LC Discusses Nationalism

LD2506220088 Belgrade TANJUG Domestic Service in Serbo-Croatian 0857 GMT 25 Jun 88

[Excerpts] Pristina, 25 Jun (TANJUG)—On the 2d day of the Kosovo LC conference, at which intranational relations and the implementation of the national equality policy were analyzed, the situation in this field was characterized as difficult and replete with many problems. Kosovo Communists face exceptionally complex and responsible obligations in terms of energetically changing these relations and the atmosphere as soon as possible.

As on the 1st day, slight differences in views on the political situation in the province, particularly regarding some measures which should be taken to improve it, were noticeable.

As expected, particular reaction was provoked by the stances and demands which were sent to the conference by the action conferences of two local communities in Kosovo Polje. Among other things, the conferences demanded that all the leaders of the Kosovo LC from 1981 to today, as well as Kolj Siroka, Nebih Gasi, Ilija Vakic, Svetislav Dolasevic, and Azem Vlasi, be held responsible. Kosovo Polje Communists believe in fact that they, objectively speaking, are the most responsible for the situation in the province in view of the fact that "they have a key role in the implementing overall, and especially cadre, policy."

At the very beginning of today's conference, delegates were informed that the Provincial Committee Presidium met last night in connection with these demands and drafted a memorandum which was read by Presidium member Musa Juniku.

It was explained that the conference does not make decisions and does not take positions on individual demands, proposals, and initiatives which are addressed to it, but directs these to the LC organs. It is alleged that neither the Pristina LC Municipal Committee nor any other Kosovo LC organ had been informed about these representations.

The conference was informed that the Presidium is a working group which, together with the municipal committee, is involved in solving the numerous problems in Kosovo Polje.

In connection with the demands for apportioning responsibility, the Provincial Committee Presidium believes that yesterday's "repeated name-calling of some cadres—as has been done on some earlier occasions—is

tendentious, wholesale, and ill-conceived as well as arbitrary" and that they are unacceptable, malicious, and must be rejected. [passage omitted]

The most dangerous expression of nationalism is the one which we are not fighting with all sincerity, Hasan Berisa said, advocating that there be no gradations in the conference stances in terms of more or less dangerous expressions of nationalism. He also spoke critically about the increasingly frequent phenomena of attacks on the leadership which, he said, had also taken place in the Serbian Assembly as well. He drew attention to the fact that messages contained in citizen petitions and demands by women and others, which have been taken by Kosovo citizens to various organs in Belgrade, are all too easily accepted.

In these increasingly frequent demands there are completely unacceptable and nationalist demands, such as restricting the autonomy of the province and the use of an official language or actual calls for a fracticidal war, Berisa said. Nevertheless, he added, assessments can be heard in some places that these petitions are not nationalistic. He also proposed that the conference stances repeat the assessment of the ninth session of the LCY Central Committee on the harmfulness of gatherings on a single national basis.

[Passage omitted] Sehide Cecilija from Vucitrn stressed the exceptionally positive experience of teaching children in a nonmother tongue right from the first since this is significant for future communal life and communication with all people within the environment, while Dzumret Seljmani stressed that Muslims, Croats, and Turks are also leaving Kosovo, not just Serbs and Montegegrins. For this very reason, there is no more important political task than stopping emigration. The wishes of nationalists and separatists to change the ethnic map of Kosovo must be blocked by all means, he said.

Desanka Djordjevic, among other things, drew attention to the strange behavior of individuals and groups who underestimate the stances being adopted in the province. She asked: Is there Serbian nationalism or not in Kosovo? Instead of replying directly to this [illegible] said that it really is strange that individuals will [illegible] any way recognize the existence of nationalism within their own nationality, which indicates the need for ideopolitical clarification.

The emigration of Serbs and Montenegrins from Kosovo, Desanka Djordjevic continued, has been going on, not only since 1981, but even before then and even before the war. Many, to be sure, are moving out as a result of pressure by Albanian nationalists and separatists, but some as a result of the economic opportunities and greater employment possibilities in Serbia. All those who have been and are in a position to do so have left and are leaving, and those who have not been in a position to do so have remained and will remain. They should be ensured employment opportunities so that they solve problems here; likewise, prospects should also be opened up for those who have left to return here, Desanka Djordjevic said.

No one can deprive us of the right to say whether or not we agree with some assessments, just as we cannot interpret any well-intentioned criticism of what is not right as being an attack on our autonomy, said Kolj Siroka. He spoke in favor of overcoming the differences between the leadership in assessing the Kosovo situation. He suggested that they—he probably was thinking of the republican and provincial leaderships—should meet and say what these differences amount to instead of engaging in public backbiting about it.

Siroka thought that at no time had any organized work been done to get the Serb and Montenegrin emigrants to return to Kosovo. He stressed that it would be a good thing to praise the workers in the municipalities who do not make an issue of the fact that priority is given to hiring returning emigrants. Sirola rejected as unacceptable the claim that the situation in Kosovo is the same of even worse than it was in 1981. [passage omitted]

The most sincere and strongest applause by conference delegates, who in fact had applaued no one up to then, with the exception of the guests—was reserved for Ali Sukrija, who gave a very inspired, concrete, and even emotive address. Sukrija stressed that the battle against nationalism must be pursued as a battle against class, enemy, counterrevolutionary, anti-Marxist, and chauvinistic ideology. This must be done in a concrete and not in a declarative way, stressed Sukrija.

The Youth of Kosovo are threatened. Albanian youth are under attack and a segment has been very heavily indoctrinated, was Sukrija's assessment. The nationalists contrived to get them involved directly in physical and fanatical attacks on our ideology. We abandoned our young people—and not just in Kosovo—to the enemy, to assorted ideologies, and to uncontrolled events. The struggle for young people in Kosovo must begin with their childhood. Care must be taken that when they begin nursing they do not drink the milk of nationalism but the milk of brotherhood and unity. The process must be continued in the schools, where the teachers must bring up the children properly instead of turning them into chauvinist beasts, said Sukrija.

Speaking of law in the province, Ali Sukrija noted that no investments are required for order and constitutionality to be established and respected, but the resolve of appropriate organs and of the people in them. Absolute peace, security, and safety for everyone must prevail in Kosovo, and especially for the Serbs and Montenegrins who are being pressured by nationalists. Illustrating this by specific examples, Sukrija said that then the Serbs and Montenegrins would not be forced to resist with every

means they have. The best thing would be if everyone together, both the Albanians and Serbs, were to unite against nationalistic hooligans.

Because of this threat and because of emigration, there is an increasing number of isolated Serb and Montenegrin families who are in a difficult situation. If they are not offered the hand of friendship every day by their Albanian neighbors, then surely they cannot feel at peace. If an Albanian buys property from a Serb or a Montenegrin and then puts up a barrier on the path used by his neighbor, then his behavior cannot be described merely as pressure, but as terror, said Sukrija. For this reason, he appealed for a daily concrete struggle on the spot: in buses, in streets, and in schools. In the struggle against the nationalist movement let us start marching as a communist movement of 100,000 Kosovo Communists. In this way, we will choke it, stressed Sukrija. [passage omitted]

Vojislav Zajic, secretary of the Provincial Committee Presidium, stressed that the differences in the LC and its leadership could no longer be tolerated and that the discussion on these differences could no longer be postponed. The responsibility for life together now and in the future requires unified stands on every single issue on which differences exist with the leadership of the SR of Serbia in a democratic and constructive way and with much more reciprocal trust. Of course, added Zajic, great responsibility devolves on all organizations and organs of the LC of Kosovo for building this unity. [passage omitted]

Dusko Celic began his speech with a principled observation, as he put it, in connection with the closed session last night of the Provincial Committee Presidium, about which the delegates were briefed this morning.

The statement by the Provincial Committee Presidium, read to the delegates this morning, says that the conference is not the only place to make decisions and to take stands on demands for collective or individual responsibility of the Kosovo organs and cadres, as requested by two basic LC organizations in Kosovo Polje.

In this connection, Celic said that it is not in keeping with standing orders that the Provincial Committee Presidium should give the conference its assessments and stands from its closed sessions because, he believes, only the working bodies of the conference have this power.

Having spoken very critically of working methods, based on interminable repetition of the same phrases and slogans like "the working class will never permit the implementation of the separatists' plans" and that to all intents and purposes the plan has not been carried out, Celic said that the enemy is also among us, in the LC itself. No matter how serious and bitter this assessment may be, he went on, it is even more serious and bitter to say that if it does not fight against the enemy, the LC itself is an enemy. No one has the right to play with the future of the people, but meeting and constantly repeating the same old stories which give us headaches does not represent anything but playing with the people's future.

Celic then suggested that the point should be deleted from the draft stands which proposes the adoption of an operative program after the conference because there are plenty of such programs. We do not need new programs; what we need are new results, responsibility, and new people, he said. Instead, he proposed an amendment which will spell out the responsibility of municipal and provincial leaderships unless emigration is stopped by the end of the year and complete equality in Kosovo ensured.

Celic also pointed to the untenable nature of the different assessments of the same manifestations. You cannot, on the one hand, speak about a petition signed by 50,000 Kosovo citizens as being an act designed to wreck Yugoslavia, which was Nebih Gasi's description, and as a cry for basic human rights, as stated at a Serbian Assembly session.

In this context, he stressed the honorable example, as he put it, of Bosnia and Hercegovina where, because of the mistakes in connection with agrokomerc, the leading republican political leaders were removed without any mercy. Dusan Celic went on to comment in the same way about the assessments made about the single-nation gatherings, saying that these assessments may not be made unless you say at the same time why these meetings are attended by members of a single nation. He ended by saying that the Kosovo LC had not yet gone into the substance, origins, and causes of Albanian nationalism and separatism, that it is settling the score with it predominantly in a verbal fashion, and is instead very much concerned with single-nation gatherings.

Enver Baki drew attention to the inequality of the Turkish language in Kosovo and to problems with educating the Turks. [passage omitted]

Gani Mulici expressed the belief that the assessment of Kosovo Polje Communists concerning the cadres indivudally singled out is fully at oddds with the official assessments about their work and that this is an attempt to disqualify them and make the situation even more complex.

That there are people in the LC, even in its highest organs, who erred against moral norms is well knownm, said Slobodan Zaric, but there is no record of anyone being called to account. Among the many cases of people being singled out by the name, many are biased but we must no longer reject them totally, he said suggesting that this amounts to "smearing the cadress." [passage omitted]

Adem Hasani proposed that a place should be found in the conference thesis for the assessment that single-nation meetings are negative and that in time they could degenerate into a situation with unforeseeable political consequences.

Sveta Zivkovic suggested that Ali Sukrija's address should be incorporated in toto in the conference theses because, he said, the way Ali Sukrija spoke was the right way which Communists should be talking about this issue. Nazmi Mustafa claimed that Serbs and Montenegrin gatherings as well as petitions are nationalist. He illustrated this by a number of individual demands heard during the gatherings and described some quotations from petitions as an attack on the province. [passage omitted] Mustafa also reproached the Serbian Presidency President for arriving, as he put it, uninvited in a visit to the local community in Kosovo.

Dobrosav Bjeletic, executive secretary of the Serbian LC Central Committee Presidium, immediately reacted to this discussion stressing that you cannot describe the petition of 50,000 Serbs and Montenegrins as an expression of Serbian and Montenegrin nationalism. You also cannot compare Albanian and Serbian nationalism in Kosovo, pointed out Bjeletic, asking: What is meant by the practice of always mentioning Albanian nationalism together with a group of Serbian nationalists who try to take advantage of the hardships of this tormented nation? There are individuals here as well who are disturbed by the presence of the Serbian LC Central Committee members and we can feel that, noted Bjeletic.

He also asked whether the President of the Serbian LC Central Committee should ask permission to visit a local community in Kosovo, adding that this was not something that Kosovo officials should do either if they are visiting any part of Serbia proper.

Kacusa Jasari, president of the Kosovo LC Provincial Committee Presidium, echoed Bjeletic's reaction and called Nazmi Mustafa's speech unacceptable.

In the words of Sadik Sadiku, some officials, without giving their names, are only counting intranational excesses, Serb and Montenegrin emigrants, and thinking about how to restore the situation in Kosovo to what it was before 1974 and reduce the rights of autonomy. He also asked whether it is possible that all of the 50,000 signatories of the petition were justifiably dissatisfied with the situation in Kosovo.

After the discussion in which over 70 delegates took part—several delegates made written contributions—the head of the working group for preparing the conference theses said that the majority of proposals and suggestions and views for improving them had been accepted, but that some had not been accepted because in essence they did not contribute to it. The rejected proposals were listed in the statement issued this morning by the Provincial Committee Presidium.

Following that, Pavle Jovanovic again asked to be given the floor. He asked whether the Provincial Committee Presidium had discussed his contribution to the discussion which was said to be partly unacceptable. Kacusa Jasari said that the Presidium had not discussed his contribution to the discussion.

Several other delegates again suggested new ways of improving the text of the theses. Following Kacusa Jasari's proposal that the Presidium be empowered to do the final editing, the delegates unanimously and with applause approved the Theses for LC Action in implementing the national equality policy and developing intranational relations in Kosovo.

Winding up the conference, Kacusa Jasari said, among other things, that the critical undertones in the discussion means that Kosovo Communists sense the gravity, essence, and complexity of this issue. They understand their responsibility for their situation, especially improving intranational relations which in some places are still very cool.

The problems in intranational relations can be overcome, stressed Kacusa Jasari, only if all Communists and all progressive forces tackle this task at once and in a responsible and active way. This must be done primarily in a human and sincere way in every environment, work place, street, shop, and school. We must create an atmosphere for safe, secure, and normal life and make the whole legal system function, with mutual respect and consideration. This implies a sharp reaction to everyone who either in a perfidious or an aggressive way may wish to influence the cooling of good intranational relations or wants to upset them, no matter which nationalism we are talking about because one nationalism helps the other and their objective is the same. This evil must be eradicated from every environment.

Our basic commitments on issues we have been discussing today are implicit in party documents. The theses which we are adopting should enable us to more quickly get out of a situation fraught with problems and contradictions, firmly convinced that our future is in an equal community of all our nations and nationalities, said Kacusa Jasari in conclusion.

Kosovo LC Conference Concludes

LD2506220388 Belgrade TANJUG Domestic Service in Serbo-Croatian 1751 GMT 25 Jun 88

[Text] Pristina, 25 Jun (TANJUG)—The Kosovo LC conference ended in Pristina tonight with the adoption of stands for action by Communists to implement the national equality policy and develop intranational relations.

During the 2 days of this important political meeting, regarding the most difficult problems of all the nations and nationalities in the province, 73 delegates took the floor. Their main message is that the struggle to stabilize the situation in Kosovo and oppose Albanian nationalism and separatism cannot be won in forums, but through the daily contributions of over 100,000 Kosovo Communists and all progressive people.